

**PRINCE HOUSING & DEVELOPMENT
CORP.**

PARENT COMPANY ONLY FINANCIAL

STATEMENTS AND INDEPENDENT AUDITORS’

REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Prince Housing & Development Corp.

Opinion

We have audited the accompanying balance sheets of Prince Housing & Development Corp. (the “Company”) as at December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2023 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 financial statements are stated as follows:

The accuracy of building and land sales revenue recognition timing

Description

Please refer to Note 4(30) for accounting policies on sales revenue, and Note 6(23) for details.

The Company recognises building and land sales revenue and profit or loss upon the transfer of ownership and turnover of the property. Since the Company has diverse customers, the information delivery and recording process between segments in the Company usually involve manual processes, and thus may result in inappropriate timing of revenue recognition around the balance sheet date. Considering that the building and land sales revenue comprise most of the Company's operating revenue, we identified the accuracy of building and land sales revenue recognition timing as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. We obtained an understanding and assessed the reasonableness of internal controls on building and land sales revenue, and tested whether the process of building and land sales revenue recognition timing had been executed effectively, including verifying

documents related to the date of ownership transfer and property handover and the accuracy of recognition timing.

- B. We performed cut-off test on building and land transactions around the end of the reporting period, including verifying land registration, house ownership certificate and customer signed receipts for the turnover of property to confirm that the timing of the building and land sales revenue recognition was appropriate.

Investments accounted for under equity method-Ta Chen Construction & Engineering Corp., which was held through subsidiary, Cheng-Shi Investment Holdings Co., Ltd.-recognition of construction revenue-the stage of completion estimate

Description

Please refer to Note 4(14) for accounting policies on investments accounted for under equity method, and Note 6(7) for details.

Ta Chen Construction & Engineering Corp., which was held by the Company through subsidiary, Cheng-Shi Investment Holdings Co., Ltd., was recognised as a significant company since the financial performance of Ta Chen Construction & Engineering Corp. had a material effect on the Company's financial statements.

Ta Chen Construction & Engineering Corp. provided property construction related services. During the duration of a contract, the recognition of revenue is based on the stage of completion of a contract. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. Aforementioned estimated total contract costs were based on contract budget details compiled by owner's design drawing, considering the changes in construction scale caused by additional or less

work, and the price fluctuations in the recent market to estimate the contract work, overhead and relevant costs.

As the complexity of aforementioned total cost usually involves subjective judgement and contains a high degree of uncertainty, and the estimate of total cost affects the stage of completion and the recognition of construction revenue, thus we consider the reasonableness of the stage of completion which was applied on construction revenue recognition as above mentioned as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. We obtained an understanding of the nature of business and industry of Ta Chen Construction & Engineering Corp. and assessed the reasonableness of internal process of estimating total construction cost, including the procedure of estimating each construction cost and overhead, and the consistency of applying the estimation method.
- B. We assessed and tested the internal controls which would affect the changes of estimated total cost of Ta Chen Construction & Engineering Corp., including verifying the evidence of additional or less work and constructions.
- C. We inspected the constructing site accompanied by the supervisor and other appropriate staff of Ta Chen Construction & Engineering Corp. at the end of the reporting period to assess the reasonableness of the stage of completion method result.
- D. We obtained Ta Chen Construction & Engineering Corp.'s details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$758,877 thousand and NT\$752,483 thousand, constituting 2.26% and 2.17% of the total assets as at December 31, 2023 and 2022, respectively, and the comprehensive (loss) income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$44,019 thousand and NT\$44,638 thousand, constituting 5.41% and 4.90% of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wang, Chun-Kai

Wang, Kuo-Hua

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 4, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PRINCE HOUSING & DEVELOPMENT CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 6,671,877	20	\$ 8,440,159	24
1110	Financial assets at fair value through profit or loss - current	6(2)	1,990,737	6	2,268,463	7
1136	Current financial assets at amortised cost	6(4)	953,068	3	-	-
1150	Notes receivable, net	6(5)	42,004	-	19,323	-
1170	Accounts receivable, net	6(5)	2,345	-	3,621	-
1200	Other receivables		10,887	-	914	-
130X	Inventories, net	6(6), 7 and 8	6,161,869	18	6,434,334	19
1410	Prepayments		38,382	-	40,655	-
11XX	Total current Assets		15,871,169	47	17,207,469	50
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	81,285	-	80,317	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3), 7 and 8	2,544,896	8	2,077,331	6
1535	Non-current financial assets at amortised cost	6(4) and 8	432,877	1	486,679	2
1550	Investments accounted for under equity method	6(7) and 8	6,166,751	18	6,358,157	18
1600	Property, plant and equipment, net	6(8) and 8	467,700	1	471,285	1
1755	Right-of-use assets	6(9) and 7	183,078	1	89,517	-
1760	Investment property, net	6(11) and 8	5,335,517	16	5,408,671	16
1780	Intangible assets, net	6(12)	1,810,416	6	1,871,669	5
1920	Refundable deposits		7,603	-	7,672	-
1990	Other non-current assets	7	636,640	2	636,640	2
15XX	Total non-current assets		17,666,763	53	17,487,938	50
1XXX	Total assets		\$ 33,537,932	100	\$ 34,695,407	100

(Continued)

PRINCE HOUSING & DEVELOPMENT CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13) and 8	\$ 811,000	2	\$ 1,271,000	4
2130	Current contract liabilities	6(23)	76,953	-	96,682	-
2150	Notes payable		-	-	963	-
2170	Accounts payable		163,813	1	317,416	1
2180	Accounts payable to related parties	7	4,453	-	7,313	
2200	Other payables		208,573	1	397,950	1
2230	Current income tax liabilities		15,011	-	23,309	-
2280	Current lease liabilities	7	30,865	-	13,509	-
2310	Receipts in advance		42,601	-	31,807	-
2320	Long-term liabilities, current portion	6(14)(15) and 8	700,000	2	2,930,000	9
2399	Other current liabilities		21,329	-	46,456	-
21XX	Total current Liabilities		2,074,598	6	5,136,405	15
Non-current liabilities						
2530	Bonds payable	6(14)	4,500,000	13	2,000,000	6
2540	Long-term borrowings	6(15) and 8	420,000	1	1,120,000	3
2550	Provisions for liabilities - non-current	6(16)	174,491	1	165,984	1
2580	Non-current lease liabilities	7	159,028	-	81,420	-
2640	Net defined benefit liabilities, non-current	6(17)	26,732	-	27,428	-
2645	Guarantee deposits received		171,177	1	154,667	-
2670	Other non-current liabilities	6(7)	289,860	1	289,743	1
25XX	Total non-current liabilities		5,741,288	17	3,839,242	11
2XXX	Total Liabilities		7,815,886	23	8,975,647	26
Equity						
	Share capital	6(18)				
3110	Common stock		16,233,261	48	16,233,261	47
	Capital surplus	6(19)				
3200	Capital surplus		2,260,513	7	2,260,513	6
	Retained earnings	6(20)				
3310	Legal reserve		2,536,541	8	2,387,299	7
3350	Unappropriated retained earnings		3,281,381	10	3,655,405	11
	Other equity interest	6(21)				
3400	Other equity interest		1,411,353	4	1,184,285	3
3500	Treasury stocks	6(18)	(1,003)	-	(1,003)	-
3XXX	Total equity		25,722,046	77	25,719,760	74
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 33,537,932	100	\$ 34,695,407	100

The accompanying notes are an integral part of these parent company only financial statements.

PRINCE HOUSING & DEVELOPMENT CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Total sales revenue	6(23) and 7	\$ 1,171,918	100	\$ 6,761,955	100
5000	Total operating costs	6(6)(11)(28) and 7	(419,203)	(36)	(4,463,405)	(66)
5900	Gross profit from operations		<u>752,715</u>	<u>64</u>	<u>2,298,550</u>	<u>34</u>
	Operating expenses	6(28) and 7				
6100	Selling expenses		(3,350)	-	(144,981)	(2)
6200	Administrative expenses		(663,762)	(57)	(816,985)	(12)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(6)	-	-	-
6000	Total operating expenses		(667,118)	(57)	(961,966)	(14)
6900	Operating profit		<u>85,597</u>	<u>7</u>	<u>1,336,584</u>	<u>20</u>
	Non-operating income and expenses					
7100	Total interest income	6(24)	52,230	5	9,699	-
7010	Total other income	6(25)	187,097	16	240,753	3
7020	Other gains and losses, net	6(2)(26)	25,949	2	47,581	1
7050	Finance costs, net	6(6)(27)	(166,447)	(14)	(154,773)	(2)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	<u>470,563</u>	<u>40</u>	<u>115,029</u>	<u>2</u>
7000	Total non-operating income and expenses		<u>569,392</u>	<u>49</u>	<u>258,289</u>	<u>4</u>
7900	Profit from continuing operations before tax		654,989	56	1,594,873	24
7950	Income tax expense	6(29)	(62,372)	(6)	(119,836)	(2)
8000	Profit from continuing operations		<u>592,617</u>	<u>50</u>	<u>1,475,037</u>	<u>22</u>
8200	Profit		<u>\$ 592,617</u>	<u>50</u>	<u>\$ 1,475,037</u>	<u>22</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(17)	(\$ 4,380)	-	\$ 10,627	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)	197,474	17	(445,140)	(7)
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(21)	<u>28,238</u>	<u>2</u>	<u>(128,850)</u>	<u>(2)</u>
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		<u>221,332</u>	<u>19</u>	<u>(563,363)</u>	<u>(9)</u>
8300	Total other comprehensive income (loss)		<u>\$ 221,332</u>	<u>19</u>	<u>(\$ 563,363)</u>	<u>(9)</u>
8500	Total comprehensive income		<u>\$ 813,949</u>	<u>69</u>	<u>\$ 911,674</u>	<u>13</u>
	Basic earnings per share	6(30)				
9750	Total basic earnings per share		\$ 0.37		\$ 0.91	
9850	Total diluted earnings per share		\$ 0.36		\$ 0.90	

The accompanying notes are an integral part of these parent company only financial statements.

PRINCE HOUSING & DEVELOPMENT CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

				Retained earnings		Other equity interest			
	Notes	Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
<u>Year 2022</u>									
Balance at January 1		\$ 16,233,261	\$ 2,260,513	\$ 2,232,892	\$ 3,129,052	(\$ 48)	\$ 1,765,082	(\$ 1,003)	\$ 25,619,749
Profit		-	-	-	1,475,037	-	-	-	1,475,037
Other comprehensive income (loss)	6(3)(17)(21)	-	-	-	12,571	-	(575,934)	-	(563,363)
Total comprehensive income (loss)		-	-	-	1,487,608	-	(575,934)	-	911,674
Appropriations and distribution of 2021 earnings:									
Legal reserve		-	-	154,407	(154,407)	-	-	-	-
Cash dividends	6(20)	-	-	-	(811,663)	-	-	-	(811,663)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)(21)	-	-	-	4,815	-	(4,815)	-	-
Balance at December 31		<u>\$ 16,233,261</u>	<u>\$ 2,260,513</u>	<u>\$ 2,387,299</u>	<u>\$ 3,655,405</u>	<u>(\$ 48)</u>	<u>\$ 1,184,333</u>	<u>(\$ 1,003)</u>	<u>\$ 25,719,760</u>
<u>Year 2023</u>									
Balance at January 1		\$ 16,233,261	\$ 2,260,513	\$ 2,387,299	\$ 3,655,405	(\$ 48)	\$ 1,184,333	(\$ 1,003)	\$ 25,719,760
Profit		-	-	-	592,617	-	-	-	592,617
Other comprehensive (loss) income	6(3)(17)(21)	-	-	-	(5,736)	-	227,068	-	221,332
Total comprehensive income		-	-	-	586,881	-	227,068	-	813,949
Appropriations and distribution of 2022 earnings:									
Legal reserve		-	-	149,242	(149,242)	-	-	-	-
Cash dividends	6(20)	-	-	-	(811,663)	-	-	-	(811,663)
Balance at December 31		<u>\$ 16,233,261</u>	<u>\$ 2,260,513</u>	<u>\$ 2,536,541</u>	<u>\$ 3,281,381</u>	<u>(\$ 48)</u>	<u>\$ 1,411,401</u>	<u>(\$ 1,003)</u>	<u>\$ 25,722,046</u>

The accompanying notes are an integral part of these parent company only financial statements.

PRINCE HOUSING & DEVELOPMENT CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 654,989	\$ 1,594,873
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(26)	(25,978)	(18,914)
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(470,563)	(115,029)
Gain on disposal of property, plant and equipment	6(26)	31	(28,710)
Property, plant and equipment transferred to expenses		10	-
Depreciation	6(8)(9)(11)(28)	137,865	134,563
Amortization	6(12)(28)	61,253	61,253
Interest expense	6(27)	166,447	154,773
Interest income	6(24)	(52,230)	(9,699)
Dividend income	6(3)(25)	(51,509)	(118,784)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		302,736	558,334
Notes receivable	(	22,681)	8,063
Accounts receivable		1,276	31,813
Other receivables	(	9,973)	55,448
Inventories		261,055	4,301,822
Prepayments	(	1,277)	13,543
Changes in operating liabilities			
Current contract liabilities	(	19,729)	(695,084)
Notes payable	(	963)	963
Accounts payable	(	153,603)	(229,491)
Accounts payable to related parties	(	2,860)	3,860
Other payables	(	198,576)	32,155
Receipts in advance		10,794	3,040
Other current liabilities	(	25,127)	(89,104)
Provisions for liabilities - non-current		8,507	29,480
Net defined benefit liabilities - non-current	(	5,076)	(11,065)
Cash inflow generated from operations		564,818	5,668,103
Interest received		52,230	9,699
Cash dividends received		891,833	181,779
Interest paid	(	157,248)	(148,787)
Income taxes paid	(	70,670)	(204,130)
Net cash flows from operating activities		1,280,963	5,506,664

(Continued)

PRINCE HOUSING & DEVELOPMENT CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in current financial assets at amortised cost			
- current		(\$ 953,068)	\$ -
Acquisition of financial assets at fair value through other comprehensive income-non-current		(270,162)	(139,603)
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current		-	27
Proceeds from returning fees of non-current financial assets at fair value through other comprehensive income		71	-
Decrease (increase) in financial assets at amortised cost non-current		53,802	(27,152)
Acquisition of investments accounted for under equity method	6(7)	(150,000)	(750,000)
Acquisition of property, plant and equipment	6(8)	(13,259)	(21,846)
Proceeds from disposal of property, plant and equipment		302	31,646
Decrease in refundable deposits		69	124
Net cash flows used in investing activities		(1,332,245)	(906,804)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(32)	(460,000)	190,140
Decrease in short-term notes and bills payable	6(32)	-	(100,000)
Repayments of bonds	6(32)	(2,500,000)	(2,000,000)
Proceeds from issuance of bonds	6(32)	2,500,000	2,000,000
Repayment of long-term borrowings	6(32)	(430,000)	(1,141,624)
Proceeds from long-term borrowings	6(32)	-	300,000
(Decrease) increase in guarantee deposits received	6(32)	16,510	(917)
Payments of lease liabilities	6(32)	(31,847)	(31,479)
Cash dividends paid	6(20)	(811,663)	(811,663)
Net cash flows used in financing activities		(1,717,000)	(1,595,543)
Net (decrease) increase in cash and cash equivalents		(1,768,282)	3,004,317
Cash and cash equivalents at beginning of year		8,440,159	5,435,842
Cash and cash equivalents at end of year		<u>\$ 6,671,877</u>	<u>\$ 8,440,159</u>

The accompanying notes are an integral part of these parent company only financial statements.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Prince Housing & Development Corp. (the “Company”) was established in September 1973, under the Company Act and other related regulations. The Company is primarily engaged in the construction, leasing and sale of public housing, commercial building, tourism/recreation place (children’s playground, water park, etc.) and parking lot/parking tower, and leasing and sale of real estate. The common shares of the Company have been listed on the Taiwan Stock Exchange since April 1991.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on March 4, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These parent company only financial statements are prepared by the Company in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

These parent company only financial statements are prepared by the Company in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less unrecognised actuarial gains and present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities, associates and jointly controlled entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or jointly controlled entity, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company still retains partial interest in the former foreign associate or jointly controlled entity after losing significant influence over the former foreign associate, or losing joint control of the former jointly controlled entity, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

- A. If assets and liabilities are related to the construction business, they are classified as current or non-current according to their operating cycle; if they are not related to the construction business, they are classified by annual basis.
- B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits maturing within three months and bonds and notes with call back options that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- D. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive

payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Leasing arrangements (lessor) — operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories including “land held for construction”, “construction in progress”, and “buildings and land held for sale” are stated at cost and evaluated at the lower of cost or net realisable value at the end of period. The individual item approach is used in the comparison of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The interest costs related to construction in progress are capitalised during the construction.

(14) Investments accounted for using equity method / subsidiaries, associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised profit (loss) arising from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company’s share of its subsidiaries’ post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company’s share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. If changes in shareholdings in subsidiaries do not result to a loss on control (transaction with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognized in equity.
- E. When the Company loses its control in a subsidiary, the Company revalues the remaining investment in the prior subsidiary at fair value, that fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture, and recognises the difference between fair value and book value in the profit or loss for the period. The accounting treatment on the previously recognized amount related to the subsidiary in other comprehensive income is the same as the basis if the Company directly disposes related assets or liabilities, which means if the Company has recognized gain or loss in other comprehensive income, the Company should reclassify the gain or loss on disposal of related assets or liabilities to profit or loss; and when the Company loses control in the subsidiary, the gain or loss should be reclassified from equity to profit or loss.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, then the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

- N. Pursuant to the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners’ equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	50 ~ 60 years
Computer and communication equipment	5 years
Transportation equipment	5 years
Office equipment	5 ~ 10 years
Leasehold improvements	5 ~ 20 years
Other equipment	5 years

(16) Leasing arrangements (lessee)-right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) Variable lease payments that depend on an index or a rate.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 44 ~ 60 years.

(18) Intangible assets

Intangible assets consist of service concession, which are stated at acquisition cost and amortised on a straight line basis over its useful life of 44 years.

(19) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

- B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the non-consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(28) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary share on the effective date of new shares issuance.

(30) Revenue recognition

A. Land development and resale

- (a) The Company develops land and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Company due to contractual restrictions. In addition, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed and the property and land have been transferred to the customer.

- (b) The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted because the contract does not include a significant financing component.

B. Hospitality service revenue

The Company provides accommodation and food and beverage services. Revenue from providing accommodation services is recognised in the accounting period based on the stage of completion of the services. Revenue from providing food and beverage services is recognised when food and beverages are serviced to the customer.

C. Service concession revenue

Information on service concession revenue is provide in Note 4(31).

D. Rental revenue

The Company leases offices and dormitories. Rental revenue is recognised in profit or loss on a straight-line basis over the lease term.

E. Incremental costs of obtaining a contract

The Company recognises an asset (shown as ‘other current assets’) the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Company expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Company recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Company expects to receive less the costs that have not been recognised as expenses.

(31) Service concession arrangements

- A. The Company was contracted by National Taiwan University (grantor) to provide construction for the government’s infrastructure assets for public services and operate those assets for Changxing St. Campus for 44 years and 6 months, and for Shuiyuan Campus for 44 years and 4 months after construction is completed. When the term of operating period expires, the underlying infrastructure assets will be transferred to National Taiwan University without consideration. The Company allocates the fair value of the consideration received or receivable in respect of the service concession arrangement between construction services and operating services provided based on their relative fair values, and recognises such allocated amounts as revenues in accordance with IFRS 15, ‘Revenue from contracts with customers’.
- B. Costs incurred on provision of construction services or upgrading services under a service concession arrangement are accounted for in accordance with IFRS 15, ‘Revenue from contracts with customers’.
- C. The consideration received or receivable from the grantor in respect of the service concession arrangement is recognised at its fair value. Such considerations are recognised as a financial asset or an intangible asset based on how the considerations from the grantor to the operator are made as specified in the arrangement. The Company recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services, and recognises an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The above information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

Investment property

The Company uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion accounts for less insignificant portion of the property.

(2) Critical accounting estimates and assumptions

No assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 1,887	\$ 1,553
Checking accounts and demand deposits	3,145,750	4,937,807
Repurchase bonds	<u>3,524,240</u>	<u>3,500,799</u>
	<u>\$ 6,671,877</u>	<u>\$ 8,440,159</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The repurchase bonds held by the Company has high liquidity, so they were classified as cash equivalents.
- C. Details of trust fund of pre-sale construction and borrowings compensation account pledged to others as collateral which were classified as financial assets at amortised cost, are provided in Note 6(4).
- D. Details of the interest income from the aforementioned pledged bank deposits which was recognised under interest income, are provided in Note 6(24).

(2) Financial assets at fair value through profit or loss

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 1,949,951	\$ 2,252,343
Valuation adjustments	<u>40,786</u>	<u>16,120</u>
	<u>\$ 1,990,737</u>	<u>\$ 2,268,463</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 76,000	\$ 76,000
Valuation adjustments	<u>5,285</u>	<u>4,317</u>
	<u>\$ 81,285</u>	<u>\$ 80,317</u>

A. The Company recognised net gain of \$25,978 and \$18,914 on financial assets at fair value through profit or loss for the years ended December 31, 2023 and 2022, respectively.

B. Details of the Company's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

(3) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Designation of equity instrument		
Listed stocks	\$ 491,312	\$ 221,221
Unlisted stocks	<u>888,599</u>	<u>888,723</u>
	1,379,911	1,109,944
Valuation adjustment	<u>1,164,985</u>	<u>967,387</u>
	<u>\$ 2,544,896</u>	<u>\$ 2,077,331</u>

A. The Company has elected to classify stocks that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$2,544,896 and \$2,077,331 as at December 31, 2023 and 2022, respectively.

B. For the year ended December 31, 2022, the unlisted company which was invested by the Group was liquidated, therefore, the Group reclassified accumulated gains of \$4,815 from other equity to retained earnings.

C. For the years ended December 31, 2023 and 2022, the Company acquired listed stocks from the Company's subsidiary, Ta Chen Construction & Engineering Corp., by using the block pairs trades through Taiwan Stock Exchange. Refer to Note 7(2) for details.

D. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>2023</u>	<u>2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ <u>197,474</u>	(\$ <u>445,140</u>)
Cumulative gains reclassified to retained earnings due to derecognition	\$ <u>-</u>	\$ <u>4,815</u>
Dividend income recognised in profit or loss held at end of period	\$ <u>51,509</u>	\$ <u>118,784</u>

E. Details of the Company's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

(4) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Time deposits maturing in excess of three months	\$ <u>953,068</u>	\$ <u>-</u>
Non-current items:		
Compensation account	\$ <u>432,877</u>	\$ <u>486,679</u>

A. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$1,385,945 and \$486,679, respectively.

B. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ <u>42,004</u>	\$ <u>19,323</u>
Accounts receivable	\$ <u>2,499</u>	\$ <u>3,775</u>
Less: Allowance for doubtful accounts	(<u>154</u>)	(<u>154</u>)
	\$ <u>2,345</u>	\$ <u>3,621</u>

A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Without past due	\$ 42,004	\$ 2,246	\$ 19,323	\$ 3,272
Up to 30 days	-	-	-	-
31 to 60 days	-	-	-	-
61 to 90 days	-	-	-	-
Over 91 days	-	253	-	503
	<u>\$ 42,004</u>	<u>\$ 2,499</u>	<u>\$ 19,323</u>	<u>\$ 3,775</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2023, December 31, 2022, and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to \$0, \$250 and \$40,090, respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were \$42,004 and \$19,323, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$2,345 and \$3,621, respectively.

D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

E. The Company does not hold any collateral pledged for notes and accounts receivable.

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,141,461	(\$ 62,573)	\$ 5,078,888
Construction in progress	142,065	-	142,065
Buildings and land held for sale	720,557	(10,037)	710,520
Prepayment for land	228,635	-	228,635
Merchandise	1,761	-	1,761
	<u>\$ 6,234,479</u>	<u>(\$ 72,610)</u>	<u>\$ 6,161,869</u>

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,141,461	(\$ 62,573)	\$ 5,078,888
Construction in progress	135,950	-	135,950
Buildings and land held for sale	1,002,036	(12,852)	989,184
Prepayment for land	228,635	-	228,635
Merchandise	1,677	-	1,677
	<u>\$ 6,509,759</u>	<u>(\$ 75,425)</u>	<u>\$ 6,434,334</u>

A. The cost of inventories recognised as expense for the years ended December 31, 2023 and 2022 was \$271,217 and \$4,315,785, respectively, including the amounts of \$0 and \$4,845, respectively, that the Company wrote down from cost to net realisable value accounted for as cost of goods sold, as well as the amount of \$2,815 and \$0, respectively, that the Company reversed from a previous inventory write-down and accounted for as reduction of cost of goods sold because the related inventory items were sold.

B. Details of the Company's inventories pledged to others as collateral are provided in Note 8.

C. The interest capitalized as cost of inventory is as follows:

	Years ended December 31,	
	2023	2022
Interest paid before capitalization	<u>\$ 166,447</u>	<u>\$ 154,773</u>
Interest capitalized	<u>\$ -</u>	<u>\$ -</u>
Annual interest rate used for capitalization	<u>-</u>	<u>\$ -</u>

D. Details of significant inventories (Eliminations and adjustments for consolidation were not included in the following information):

(a) Buildings and land in progress

<u>Taipei branch</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bali Dist Chung Chang Section No.222 and 211-1, etc.	<u>\$ 692,318</u>	<u>\$ 692,297</u>
<u>Taichung branch</u>		
Beitun Dist. Rong-De Lot No.129, etc.	764,318	764,466
Jin Shuei Dist. Wu Show Section No. 1037, No. 1038, No. 1040, etc.	<u>216,704</u>	<u>216,704</u>
	<u>981,022</u>	<u>981,170</u>
<u>Tainan branch</u>		
Jin Hua Section No. 1361	689,322	689,315
Shan Chia Section No. 939, etc.	163,436	157,201
Others	<u>3,738</u>	<u>3,738</u>
	<u>856,496</u>	<u>850,254</u>

<u>Kaohsiung branch</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Prince Cloud B		
(Ren Wu New Hougang West Section No. 42, etc.)	\$ 364,370	\$ 364,370
Ren Wu New Hougang West Section No. 88		
experimental house	72,933	72,933
	437,303	437,303
Total buildings and land in process	\$ 2,967,139	\$ 2,961,024
(b) Land held for construction site		
<u>Taipei branch</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Zhong Li Pu Ren Lot No. 720, etc.	\$ 140,156	\$ 140,156
Others	5,978	5,978
	146,134	146,134
<u>Taichung branch</u>		
Wu Feng Lot No. 365~855 etc.	175,661	175,661
Song Quan Lot No. 164 etc.	137,697	137,697
Tu Ku Section No. 9-7, etc.	55,167	55,167
Song Chang Lot No. 577 etc.	19,912	19,912
Hou Long Zi Section No. 133-004	19,513	19,513
Others	11,840	11,840
	419,790	419,790
<u>Tainan branch</u>		
Shan Zhong Lot No. 1468, No. 1475 & No. 1476 etc.	234,699	234,699
Xue Zhong Lot No. 679, etc.	50,798	50,798
Yong Kang Ding An Lot No. 879, etc.	28,610	28,610
Bei An Section No. 54-3, etc.	28,317	28,317
Chin An Section No. 373~377	15,139	15,139
Bao An Lot No. 882, etc.	10,325	10,325
Others	14,550	14,550
	382,438	382,438
<u>Kaohsiung branch</u>		
Ren Wu New Hougang West Section No. 53, etc.	905,077	905,077
Ren Wu New Hougang West Section No. 30 & 52-74	407,357	407,357
Ren Wu Xiahai Section No. 642, No. 669 & 940, etc.	41,668	41,668
Da Hua Lot No. 434 & 436	13,923	13,923
	1,368,025	1,368,025
Total undeveloped land held for construction site	\$ 2,316,387	\$ 2,316,387

(c)Buildings and land held for sale

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Taipei branch</u>		
Prince Hua Wei	\$ 419,964	\$ 615,951
Prince Yuan	67,259	82,586
Prince Da Din	11,597	12,025
Prince W		18,542
Prince Pine Garden	-	8,258
	<u>498,820</u>	<u>737,362</u>
<u>Taichung branch</u>		
Prince Xian Heng	115,544	115,484
Prosperous New World	26,892	27,713
Prince Holiday Mansion	9,058	9,058
Others	6,118	6,118
	<u>157,612</u>	<u>158,373</u>
<u>Tainan branch</u>		
Prince Golden Age	4,145	4,145
Jun Chan LV	4,081	19,725
Prince WIN2 Future	-	11,837
Others	2,292	2,292
	<u>10,518</u>	<u>37,999</u>
<u>Kaohsiung branch</u>		
Prince Castle (Townhouse)	30,132	30,132
Prince Cloud C Apartment	23,475	25,911
Cozy Prince Mansion	-	9,000
Prince Da Din	-	3,259
	<u>53,607</u>	<u>68,302</u>
Total buildings and land held for sale	<u>\$ 720,557</u>	<u>\$ 1,002,036</u>

(d)Prepayment for land

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Tainan branch</u>		
Ren Wu New Hougang West Section No. 20, etc.	<u>\$ 228,635</u>	<u>\$ 228,635</u>

(7) Investments accounted for under equity method

A. Details of investments accounted for under the equity method are set forth below:

<u>Name of subsidiaries and associates</u>	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Carrying amount</u>	<u>Percentage of ownership</u>	<u>Carrying amount</u>	<u>Percentage of ownership</u>
Uni-President Development Corp.	\$ 1,173,018	30.00%	\$ 1,167,581	30.00%
Cheng-Shi Investment Holdings Co., Ltd.	1,504,759	100.00%	1,323,732	100.00%
Times Square International Investment Holding Company (Note 1)	961,908	100.00%	755,276	100.00%
Prince Real Estate Co., Ltd.	599,773	99.68%	1,355,998	99.68%
Prince Housing Investment Corp.	658,878	100.00%	614,291	100.00%
Geng-Ding Co., Ltd.	309,262	30.00%	313,882	30.00%
The Splendor Hospitality International Co., Ltd.(Note 2)	252,083	50.00%	259,757	50.00%
Prince Property Management Consulting Co.	260,105	100.00%	268,521	100.00%
Jin-Yi-Xing Plywood Co., Ltd. (Note 3)	-	99.65%	-	99.65%
Prince Industrial Corp. (Note 4)	446,965	100.00%	299,119	100.00%
	<u>\$ 6,166,751</u>		<u>\$ 6,358,157</u>	

Note 1: On November 13, 2023, the subsidiary, Times Square International Investment Holding Company, reduced its capital to cover accumulated deficit by decreasing paid-in capital of \$46,700 and retiring 4,670 thousand issued shares. The capital reduction ratio was approximately 7.5%. The Company's investment has been reduced according to its shareholding ratio.

On November 4, 2022, the Board of Directors of the Company resolved to participate in the capital reduction of the subsidiary, Times Square International Investment Holding Company, to cover accumulated deficit by decreasing paid-in capital of \$1,087,000 and retiring 108,700 thousand issued shares. The capital reduction ratio was approximately 77.8%. The Company's investment has been reduced according to its shareholding ratio. In addition, Times Square International Investment Holding Company increased its capital in the amount of \$310,000, consisting of 31,000 thousand shares, at the same time. The Company has subscribed to all of the shares according to its shareholding ratio.

Note 2: In addition, The Splendor Hospitality International Co., Ltd. plans to increase its capital in the amount of \$300,000 by issuing 30 million new shares with both par value and issuance price of \$10 (in dollars) per share in 2022. On November 4, 2021, the Board of Directors of the Company resolved to subscribe to the new shares according to its shareholding ratio. The effective date of aforementioned capital increase was set on January 20, 2022.

Note 3: As of December 31, 2023 and 2022, the book value of the Company's investment in Jin-Yi-Xing Plywood Co., Ltd., was below zero. Thus, the investments were transferred to other non-current liabilities at \$289,860 and \$289,743, respectively.

Note 4: On November 10, 2023, the Board of Directors of the Company resolved to participate in the capital increase raised by the subsidiary, Prince Industrial Corp., amounting to \$1,200,000, consisting of 120,000 thousand shares, in installments. The Company subscribed to all the shares according to its shareholding ratio. The Company had invested in \$150,000 for the year ended December 31, 2023 and acquired 15,000 thousand ordinary shares. The par value and issuance price were both NT\$10 (in dollars) per share.

On November 4, 2022, the Board of Directors of the Company resolved to participate in the capital increase raised by the subsidiary, Prince Industrial Corp., by acquiring 29 million ordinary shares for a cash consideration of \$290,000 with both par value and issuance price of NT\$10 (in dollars) per share. The Company has subscribed to all of the shares according to its shareholding ratio.

B. Subsidiaries

Please refer to Note 4(3) of the Company's consolidated financial statements for the subsidiaries' information.

C. Associates

(a) The summarized financial information of the associate that is material to the Company is as follows:

Balance sheet

	<u>Uni President Development Corp.</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 69,238	\$ 61,759
Non-current assets	6,465,726	6,769,627
Current liabilities	(1,939,848)	(2,295,832)
Non-current liabilities	(685,055)	(643,617)
Total net assets	<u>\$ 3,910,061</u>	<u>\$ 3,891,937</u>
Share in associate's net assets	<u>\$ 1,173,018</u>	<u>\$ 1,167,581</u>

Statements of comprehensive income

	<u>Uni President Development Corp.</u>	
	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	<u>\$ 941,304</u>	<u>\$ 899,939</u>
Profit for the year from continuing operations	<u>\$ 189,843</u>	<u>\$ 190,928</u>
Total comprehensive income	<u>\$ 189,843</u>	<u>\$ 190,928</u>
Dividends received from associates	<u>\$ 51,516</u>	<u>\$ 26,028</u>

- (b) The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarized below:

As of December 31, 2023 and 2022, the carrying amount of the Company's individually immaterial associates amounted to \$309,262 and \$313,882, respectively.

	Years ended December 31,	
	2023	2022
Income for the year from continuing operations	\$ 45,232	\$ 81,260
Other comprehensive (loss) income, net of tax	(634)	1,154
Total comprehensive income	\$ 44,598	\$ 82,414

- D. The Company's investments had no quoted market price.
- E. The Company's share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method for the years ended December 31, 2023 and 2022 was \$470,563 and \$115,029, respectively.
- F. The investment income of certain investees (including their reinvestees) for the years ended December 31, 2023 and 2022 accounted for under the equity method was based on their financial statements for the corresponding periods, which were audited by other auditors. The investment income recognized for these investees for the years ended December 31, 2023 and 2022 was \$44,209 and \$44,292, respectively. As of December 31, 2023 and 2022, investment balance accounted for under the equity method in these investees were \$758,877 and \$752,483, respectively.

The investees whose financial statements were audited by other auditors for the years ended December 31, 2023 and 2022 were as follows:

- (a) Investee that the Company accounted for under the equity method: Geng-Ding Co., Ltd.
- (b) Reinvestees of the investee that the Company accounted for under the equity method: PPG Investment Inc., Queen Holdings Ltd. and Amida Trustlink Assets Management Co., Ltd.
- G. Details of the Company's investments accounted for under equity method pledged to others as collateral are provided in Note 8.

(8) Property, plant and equipment

A. Details of book values are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land	\$ 177,750	\$ 178,012
Buildings	215,882	224,127
Computer and communication equipment	13,747	4,600
Transportation equipment	1,183	500
Office equipment	38,081	37,491
Leasehold improvements	15,486	16,928
Other equipment	177	187
Construction in progress and equipment under acceptance	5,394	9,440
	<u>\$ 467,700</u>	<u>\$ 471,285</u>

B. Changes in property, plant and equipment for the period are as follows:

<u>Year ended December 31, 2023</u>					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 178,012	\$ -	\$ -	(\$ 262)	\$ 177,750
Buildings and structures	382,714	-	(190)	(2,087)	380,437
Computer and communication equipment	64,606	8,973	(9,331)	2,135	66,383
Transportation equipment	1,200	1,200	(1,200)	-	1,200
Office equipment	222,061	3,086	(6,016)	5,461	224,592
Leasehold improvements	74,223	-	-	-	74,223
Other equipment	1,837	-	-	(10)	1,827
Construction in progress and equipment under acceptance	9,440	-	-	(4,046)	5,394
	<u>\$ 934,093</u>	<u>\$ 13,259</u>	<u>(\$ 16,737)</u>	<u>\$ 1,191</u>	<u>\$ 931,806</u>

<u>Year ended December 31, 2022</u>					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 179,681	\$ -	(\$ 1,669)	\$ -	\$ 178,012
Buildings and structures	382,821	1,465	(1,572)	-	382,714
Computer and communication equipment	63,444	2,349	(1,187)	-	64,606
Transportation equipment	8,367	-	(7,167)	-	1,200
Office equipment	218,238	8,592	(4,769)	-	222,061
Leasehold improvements	74,223	-	-	-	74,223
Other equipment	1,837	-	-	-	1,837
Construction in progress and equipment under acceptance	-	9,440	-	-	9,440
	<u>\$ 928,611</u>	<u>\$ 21,846</u>	<u>(\$ 16,364)</u>	<u>\$ -</u>	<u>\$ 934,093</u>

Year ended December 31, 2023					
Accumulated depreciation	Opening net				Closing net
	book amount	Additions	Disposals	Reclassifications	book amount
Buildings and structures	\$ 158,587	\$ 7,116	(\$ 190)	(\$ 958)	\$ 164,555
Computer and communication equipment	60,006	1,961	(9,331)	-	52,636
Transportation equipment	700	200	(883)	-	17
Office equipment	184,570	7,941	(6,000)	-	186,511
Leasehold improvements	57,295	1,442	-	-	58,737
Other equipment	1,650	-	-	-	1,650
	<u>\$ 462,808</u>	<u>\$ 18,660</u>	<u>(\$ 16,404)</u>	<u>(\$ 958)</u>	<u>\$ 464,106</u>

Year ended December 31, 2022					
Accumulated depreciation	Opening net				Closing net
	book amount	Additions	Disposals	Reclassifications	book amount
Buildings and structures	\$ 152,299	\$ 7,063	(\$ 775)	\$ -	\$ 158,587
Computer and communication equipment	60,008	1,185	(1,187)	-	60,006
Transportation equipment	7,006	394	(6,700)	-	700
Office equipment	182,439	6,897	(4,766)	-	184,570
Leasehold improvements	55,853	1,442	-	-	57,295
Other equipment	1,650	-	-	-	1,650
	<u>\$ 459,255</u>	<u>\$ 16,981</u>	<u>(\$ 13,428)</u>	<u>\$ -</u>	<u>\$ 462,808</u>

C. Details of the Company's property, plant and equipment pledged to others as collateral are provided in Note 8.

(9) Leasing arrangements - lessee

A. The Company leases various assets including offices, cafeterias and vehicles. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes, and all or certain assets leased from associations and other related parties can be subleased to associations under the lessors' agreement. Remaining lease assets cannot be lent, subleased, sold or granted in any different form to the third parties.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Book value</u>	<u>Book value</u>
Buildings and structures	\$ 180,257	\$ 89,517
Transportation equipment (business vehicles)	<u>2,821</u>	<u>-</u>
	<u>\$ 183,078</u>	<u>\$ 89,517</u>
	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Buildings and structures	\$ 32,695	\$ 31,521
Transportation equipment (business vehicles)	<u>555</u>	<u>205</u>
	<u>\$ 33,250</u>	<u>\$ 31,726</u>

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$126,811 and \$884, respectively.

D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,806	\$ 2,470
Expense on short-term lease contracts	27	701
Expense on lease of low-value assets	104	200

E. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases amounted to \$35,784 and \$34,850, respectively.

F. Extension and termination options

- (a) Extension options are included in approximately 29% of the Company's lease contracts pertaining to offices and cafeterias. These terms and conditions aim to maximise optional flexibility in terms of managing contracts.
- (b) In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(10) Leasing arrangements – lessor

- A. The Company leases various assets including offices, dormitories and long-term rental suites. Rental contracts are typically made for periods of 0.5 and 23 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure lease assets, the lessee may be asked that leased assets may not be used as security for borrowing purposes or cannot be lent, subleased, sold or granted in any different form to the third parties by the lessors.
- B. Gain arising from operating lease agreements for the years ended December 31, 2023 and 2022 are as follows:

	Years ended December 31,	
	2023	2022
Rent income	\$ 432,812	\$ 440,644
Rent income arising from variable lease payments	\$ 52,306	\$ 28,911

- C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023
January 1, 2024 to December 31, 2024	\$ 340,186
January 1, 2025 to December 31, 2029	941,859
After January 1, 2030	1,301,922
	<u>\$ 2,583,967</u>
	December 31, 2022
January 1, 2023 to December 31, 2023	\$ 335,378
January 1, 2024 to December 31, 2028	370,455
After January 1, 2029	17,145
	<u>\$ 722,978</u>

(11) Investment property

- A. Details of book values are as follows:

	December 31, 2023	December 31, 2022
Land	\$ 207,077	\$ 207,077
Leased assets-land	2,572,993	2,571,512
Leased assets-buildings	2,555,447	2,630,082
	<u>\$ 5,335,517</u>	<u>\$ 5,408,671</u>

B. Changes in investment property for the period are as follows:

Year ended December 31, 2023					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets-land	2,571,512	-	-	1,481	2,572,993
Leased assets-buildings	3,982,562	-	(1,180)	12,278	3,993,660
	<u>\$ 6,761,151</u>	<u>\$ -</u>	<u>(\$ 1,180)</u>	<u>\$ 13,759</u>	<u>\$ 6,773,730</u>

Year ended December 31, 2022					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets-land	2,571,512	-	-	-	2,571,512
Leased assets-buildings	3,982,562	-	-	-	3,982,562
	<u>\$ 6,761,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,761,151</u>

Year ended December 31, 2023					
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets-buildings	\$ 1,352,480	\$ 85,955	(\$ 1,180)	\$ 958	\$ 1,438,213

Year ended December 31, 2022					
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets-buildings	\$ 1,266,624	\$ 85,856	\$ -	\$ -	\$ 1,352,480

C. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

Years ended December 31,		
	2023	2022
Rental revenue from the lease of the investment property	<u>\$ 485,118</u>	<u>\$ 469,555</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 174,493</u>	<u>\$ 157,099</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ -</u>	<u>\$ -</u>

D. As of December 31, 2023 and 2022, the fair value of the investment property held by the Company was \$17,496,465 and \$12,521,169, respectively. The Company management estimated the fair value based on market evidence on transaction price of similar property and assessed value. Valuations were made using the income approach which is categorised within Level 3 in the fair value hierarchy.

E. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Intangible assets

A. Details of book values are as follows:

	December 31, 2023	December 31, 2022
Service concession	<u>\$ 1,810,416</u>	<u>\$ 1,871,669</u>

B. Changes in intangible assets for the period are as follows:

Year ended December 31, 2023					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	<u>\$ 2,868,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,868,372</u>

Year ended December 31, 2022					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	<u>\$ 2,868,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,868,372</u>

Year ended December 31, 2023					
Accumulated Amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	<u>\$ 996,703</u>	<u>\$ 61,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057,956</u>

Year ended December 31, 2022					
Accumulated Amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	<u>\$ 935,450</u>	<u>\$ 61,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 996,703</u>

C. Details of amortization on intangible assets are as follows:

	Years ended December 31,	
	2023	2022
Operating costs-amortization expenses	<u>\$ 61,253</u>	<u>\$ 61,253</u>

(13) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$ 811,000	\$ 1,121,000
Secured bank borrowings	-	150,000
	<u>\$ 811,000</u>	<u>\$ 1,271,000</u>
Interest rate range	<u>2.29%</u>	<u>1.83%~2.16%</u>

For details of pledged assets, please refer to Note 8.

(14) Bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
2018 1st secured ordinary bonds payable	\$ -	\$ 2,500,000
2022 1st secured ordinary bonds payable	2,000,000	2,000,000
2023 1st secured ordinary bonds payable	<u>2,500,000</u>	<u>-</u>
	4,500,000	4,500,000
Less: Current portion	<u>-</u>	<u>(2,500,000)</u>
	<u>\$ 4,500,000</u>	<u>\$ 2,000,000</u>

A. The Company issued secured ordinary bonds payable in June 2018. The significant terms of the bonds are as follows:

(a) Total issue amount: \$2,500,000

(b) Issue price: At par value of \$1,000 per bond

(c) Coupon rate: 0.84%

(d) Terms of interest repayment: The bonds interest is calculated on simple rate every year starting June 2018 based on the coupon rate.

(e) Repayment term: The bonds are repaid upon the maturity of the bonds.

(f) Period: 5 years, from June 15, 2018 to June 15, 2023.

(g) The way of security: Secured by Bank of Taiwan.

(h) Trustee Bank: The bonds are guaranteed by Taipei Fubon Commercial Bank.

The above corporate bonds had been settled upon maturity.

B. The Group issued secured ordinary bonds payable in June 2022. The significant terms of the bonds are follows:

(a) Total issue amount: \$2,000,000

(b) Issue price: At par value of \$1,000 per bond

(c) Coupon rate: 1.58%

(d) Terms of interest repayment: The bonds interest is calculated on simple rate every year starting June 2022 based on the coupon rate.

(e) Repayment term: The bonds are repaid upon the maturity of the bonds.

(f) Period: 5 years, from June 16, 2022 to June 16, 2027.

(g) The way of security: Secured by Bank of Taiwan.

(h) Trustee Bank: The bonds are guaranteed by Mega International Commercial Bank.

C. The Group issued secured ordinary bonds payable in June 2023. The significant terms of the bonds are follows:

(a) Total issue amount: \$2,500,000

(b) Issue price: At par value of \$1,000 per bond

(c) Coupon rate: 1.54%

(d) Terms of interest repayment: The bonds interest is calculated on simple rate every year starting June 2023 based on the coupon rate.

(e) Repayment term: The bonds are repaid upon the maturity of the bonds.

(f) Period: 5 years, from June 13, 2023 to June 13, 2028.

(g) The way of security: Secured by Bank of Taiwan.

(h) Trustee Bank: The bonds are guaranteed by Mega International Commercial Bank.

(15) Long-term borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Secured bank borrowings	\$ 720,000	\$ 1,020,000
Unsecured bank borrowings	400,000	530,000
	<u>1,120,000</u>	<u>1,550,000</u>
Less: Current portion	(700,000)	(430,000)
	<u>\$ 420,000</u>	<u>\$ 1,120,000</u>
Range of maturity dates	<u>2024.02.01~2027.01.09</u>	<u>2023.07.20~2027.01.09</u>
Range of maturity rates	<u>2.12%~2.48%</u>	<u>1.83%~2.38%</u>

A. For details of restrictive covenants, please refer to Note 9.

B. For details of pledged assets, please refer to Note 8.

(16) Provisions-replacement cost

	<u>2023</u>	<u>2022</u>
At January 1	\$ 165,984	\$ 136,504
Additions	44,263	53,789
Used	(35,756)	(24,309)
At December 31	<u>\$ 174,491</u>	<u>\$ 165,984</u>

The Company's provisions for replacement cost pertains to the contract with National Taiwan University relating to the construction and operation of dormitories on Chang-Hsing St. and Shui-Yuan Campus, which was provided based on the estimated replacement cost of each asset during the operation. Information on the significant contract terms relating to the operation cost is provided in Note 9(6).

(17) Pension

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

(b) The amounts recognized in the balance sheet are determined as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 104,483)	(\$ 110,040)
Fair value of plan assets	<u>77,751</u>	<u>82,612</u>
Net defined benefit liability	<u>(\$ 26,732)</u>	<u>(\$ 27,428)</u>

(c) Changes in net defined benefit liability are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>2023</u>			
Balance at January 1	(\$ 110,040)	\$ 82,612	(\$ 27,428)
Interest (expense) income	<u>(1,320)</u>	<u>991</u>	<u>(329)</u>
	<u>(111,360)</u>	<u>83,603</u>	<u>(27,757)</u>
Remeasurements:			
Change in financial assumptions	-	-	-
Experience adjustments	<u>(4,780)</u>	<u>400</u>	<u>(4,380)</u>
	<u>(4,780)</u>	<u>400</u>	<u>(4,380)</u>
Pension fund contribution	-	2,608	2,608
Paid pension	<u>11,657</u>	<u>(8,860)</u>	<u>2,797</u>
Balance at December 31	<u>(\$ 104,483)</u>	<u>\$ 77,751</u>	<u>(\$ 26,732)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>2022</u>			
Balance at January 1	(\$ 122,766)	\$ 73,646	(\$ 49,120)
Interest (expense) income	(859)	516	(343)
	(123,625)	74,162	(49,463)
Remeasurements:			
Change in financial assumptions	3,754	-	3,754
Experience adjustments	1,402	5,471	6,873
	5,156	5,471	10,627
Pension fund contribution	-	2,979	2,979
Paid pension	8,429	-	8,429
Balance at December 31	(\$ 110,040)	\$ 82,612	(\$ 27,428)

(d) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2023	2022
Discount rate	1.20%	1.20%
Future salary increases	1.50%	1.50%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 1,639)	\$ 1,682	\$ 1,412	(\$ 1,384)
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 1,802)	\$ 1,851	\$ 1,566	(\$ 1,534)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(e) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to \$577.

(f) As of December 31, 2023, the weighted average duration of that retirement plan is 7 years.

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022 were \$5,924 and \$13,220, respectively.

(18) Share capital

A. Movements in the number of the Company’s ordinary shares outstanding are as follows:

(Units: in thousand shares)

	2023	2022
Shares at January 1 and December 31	<u>1,622,671</u>	<u>1,622,671</u>

B. As of December 31, 2023, the Company’s authorized capital was \$20,000,000, and the paid-in capital was \$16,233,261 with a par value of NT\$10 per share, consisting of 1,623,326 thousand shares of ordinary stock.

C. As of December 31, 2023 and 2022, the Company’s subsidiary, Prince Apartment Management & Maintenance Co., Ltd., held the Company’s stocks to maintain equity interest in the Company. The amount of shares held by the subsidiary was all 655 thousand shares, the average par value was all NT\$1.53 per share, and the fair value was NT\$11.10 and NT\$10.50 per share, respectively.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2023	Capital surplus			
	Share premium	Treasury share transaction	Others	Total
At January 1, 2023 (At December 31, 2023)	<u>\$ 1,375,442</u>	<u>\$ 877,839</u>	<u>\$ 7,232</u>	<u>\$ 2,260,513</u>

2022	Capital surplus			
	Share premium	Treasury share transaction	Others	Total
At January 1, 2022 (At December 31, 2022)	\$ 1,375,442	\$ 877,839	\$ 7,232	\$ 2,260,513

(20) Retained earnings

- A. In accordance with the Company's Articles of Incorporation, the Company will take into consideration its future business plans and capital expenditures in determining the amount of earnings to be retained and to be distributed. In accordance with the Company Law, 10% of the current year's earnings, after payment of all taxes and after offsetting accumulated deficit, shall be set aside as legal reserve until the balance of legal reserve is equal to that of issued share capital. Afterwards, an amount shall be appropriated or reversed as special reserve in accordance with applicable legal or regulatory requirements, along with prior years' accumulated unappropriated retained earnings, and then distribution should be in the following order: stock dividend and bonus to shareholders are no less than 20% of the accumulated distributable earnings, in current period and cash dividend is at least 30% of the total stock dividend and bonus; the appropriation of earnings is proposed by the Board of Directors and resolved by the shareholders.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. On June 17, 2022, the stockholders resolved that total cash dividends for the distribution of earnings for the year of 2021 was \$811,663 at NT\$0.5 (in dollars) per share. On June 20, 2023, the stockholders resolved that total cash dividends for the distribution of earnings for the year of 2022 was \$811,663 at NT\$0.5 (in dollars) per share.
On March 4, 2024, the Board of Directors proposed that total dividends for the distribution of earnings for 2023 was \$584,397 at \$0.36 (in dollars) per share.

(21) Other equity items

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2023	\$ 1,184,333	(\$ 48)	1,184,285
Revaluation			
-The Company	197,474	-	197,474
-Subsidiary	29,594	-	29,594
At December 31, 2023	\$ 1,411,401	(\$ 48)	\$ 1,411,353

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2022	\$ 1,765,082	(\$ 48)	1,765,034
Revaluation			
-The Company	(445,140)	- (	445,140)
-Subsidiary	(130,794)	- (	130,794)
Disposals transferred to retained earnings			
-The Company	(4,815)	- (	4,815)
At December 31, 2022	<u>\$ 1,184,333</u>	<u>(\$ 48)</u>	<u>\$ 1,184,285</u>

(22) Maturity analysis of assets and liabilities

The construction related assets and liabilities are classified as current and non-current based on the operating cycle. Related recognised amount expected to be recovered or repaid within or after 12 months from the balance sheet date is as follows:

	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
<u>December 31, 2023</u>			
Assets			
Accounts receivable, net	<u>\$ 464,570</u>	<u>\$ 5,695,538</u>	<u>\$ 6,160,108</u>
Liabilities			
Contract liabilities	\$ 13,496	\$ -	\$ 13,496
Accounts payable (including related parties)	<u>15,445</u>	<u>124,603</u>	<u>140,048</u>
	<u>\$ 28,941</u>	<u>\$ 124,603</u>	<u>\$ 153,544</u>
	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
<u>December 31, 2022</u>			
Assets			
Accounts receivable, net	\$ 1,760	\$ -	\$ 1,760
Inventories	<u>578,889</u>	<u>5,853,768</u>	<u>6,432,657</u>
	<u>\$ 580,649</u>	<u>\$ 5,853,768</u>	<u>\$ 6,434,417</u>
Liabilities			
Contract liabilities	\$ 34,739	\$ -	\$ 34,739
Accounts payable (including related parties)	<u>84,094</u>	<u>219,967</u>	<u>304,061</u>
	<u>\$ 118,833</u>	<u>\$ 219,967</u>	<u>\$ 338,800</u>

(23) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	\$ 686,800	\$ 6,292,400
Other - rental revenue	485,118	469,555
	<u>\$ 1,171,918</u>	<u>\$ 6,761,955</u>

A. The revenue from contracts with customers arises from the transfer of goods and services over time and at a point in time in the following business lines:

<u>Year ended December 31, 2023</u>	<u>Building and land sales</u>	<u>Hotel operation</u>	<u>BOT business</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 332,174</u>	<u>\$ 71,348</u>	<u>\$ 283,278</u>	<u>\$ 686,800</u>
Timing of revenue recognition				
At a point in time	\$ 332,174	\$ 481	\$ -	\$ 332,655
Over time	<u>-</u>	<u>70,867</u>	<u>283,278</u>	<u>354,145</u>
	<u>\$ 332,174</u>	<u>\$ 71,348</u>	<u>\$ 283,278</u>	<u>\$ 686,800</u>
<u>Year ended December 31, 2022</u>	<u>Building and land sales</u>	<u>Hotel operation</u>	<u>BOT business</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 5,959,522</u>	<u>\$ 55,711</u>	<u>\$ 277,167</u>	<u>\$ 6,292,400</u>
Timing of revenue recognition				
At a point in time	\$ 5,959,522	\$ 297	\$ -	\$ 5,959,819
Over time	<u>-</u>	<u>55,414</u>	<u>277,167</u>	<u>332,581</u>
	<u>\$ 5,959,522</u>	<u>\$ 55,711</u>	<u>\$ 277,167</u>	<u>\$ 6,292,400</u>

B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities:			
Contract liabilities - buildings and land sales contracts	\$ 13,496	\$ 34,739	\$ 730,032
Contract liabilities - BOT business contracts	63,018	61,494	61,285
Contract liabilities - hotel management contracts	<u>439</u>	<u>449</u>	<u>449</u>
	<u>\$ 76,953</u>	<u>\$ 96,682</u>	<u>\$ 791,766</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Years ended December 31,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Building and land sales contracts	\$ 34,739	\$ 708,680
BOT business contracts	61,494	61,285
Hotel management contracts	-	10
	<u>\$ 96,233</u>	<u>\$ 769,975</u>

(24) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	\$ 19,620	\$ 4,526
Interest income from bonds and notes sold under repurchase agreement	32,590	5,173
Other interest income	20	-
	<u>\$ 52,230</u>	<u>\$ 9,699</u>

(25) Other income

	Years ended December 31,	
	2023	2022
Dividend income	\$ 51,509	\$ 118,784
Payables transferred to other income	95,255	103,522
Income from guarantee deposits forfeited due to a breach of contract	6,000	-
Insurance claim income	3,314	-
Others	31,019	18,447
	<u>\$ 187,097</u>	<u>\$ 240,753</u>

(26) Other gains and losses

	Years ended December 31,	
	2023	2022
Net gain on financial assets at fair value through profit or loss	\$ 25,978	\$ 18,914
(Losses) gain on disposals of property, plant and equipment	(31)	28,710
Others	2	(43)
	<u>\$ 25,949</u>	<u>\$ 47,581</u>

(27) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 49,883	\$ 56,615
Lease liability	3,806	2,470
Commercial paper	17	180
Ordinary bonds	110,021	94,177
Others	2,720	1,331
	166,447	154,773
Less: Capitalization of qualifying assets	-	-
	<u>\$ 166,447</u>	<u>\$ 154,773</u>

(28) Expenses by nature

	Year ended December 31, 2023		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ -	\$ 186,551	\$ 186,551
Labor and health insurance fees	-	13,922	13,922
Pension costs	-	6,253	6,253
Directors' remuneration	-	31,216	31,216
Other employee benefit expense	-	8,031	8,031
	<u>\$ -</u>	<u>\$ 245,973</u>	<u>\$ 245,973</u>
Depreciation charges	<u>\$ 85,955</u>	<u>\$ 51,910</u>	<u>\$ 137,865</u>
Amortization charges	<u>\$ 61,253</u>	<u>\$ -</u>	<u>\$ 61,253</u>
	Year ended December 31, 2022		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ -	\$ 302,152	\$ 302,152
Labor and health insurance fees	-	17,318	17,318
Pension costs	-	13,563	13,563
Directors' remuneration	-	62,644	62,644
Other employee benefit expense	-	12,730	12,730
	<u>\$ -</u>	<u>\$ 408,407</u>	<u>\$ 408,407</u>
Depreciation charges	<u>\$ 85,856</u>	<u>\$ 48,707</u>	<u>\$ 134,563</u>
Amortization charges	<u>\$ 61,253</u>	<u>\$ -</u>	<u>\$ 61,253</u>

A. As of December 31, 2023 and 2022, the Company had approximately 212 and 206 employees, respectively. There were 15 and 14 non-employees, respectively.

B. Average employee benefit expense in 2023 and 2022 were \$1,090 and \$1,801, respectively.

Average employee salaries in 2023 and 2022 were \$947 and \$1,574, respectively; and adjustments of average employee salaries was (40%).

C. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute compensation to the employees and pay remuneration to the directors that account for at least 2% and no higher than 3%, respectively, of distributable profit of the current period. If a company has accumulated deficit, earnings should be channeled to cover losses.

Employees' compensation can be distributed in the form of shares or in cash. Qualified employees, including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive aforementioned stock or cash.

Abovementioned distributable profit of the current period refers to the pre-tax profit before deduction of employees' compensation and directors' remuneration.

D. The Remuneration Policy of the Company: Directors and managers are remunerated based on the services provided, risk assumption and the extent of contribution by reference to the general pay level in the same industry. Employees are compensated based on their education and work background, professional expertise, professional seniority and personal performance. The Company also provides flexible compensation according to the operational situation to timely motivate morale and retain outstanding employees. Annual salary adjustments are based on the employees' position and performance assessment to determine the items and amounts for salary adjustments.

E. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$65,366 and \$190,643, respectively; while directors' remuneration was accrued at \$22,238 and \$55,222, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were accrued based on the percentage as prescribed in the Company's Articles of Incorporation and distributable profit of current period for the year ended December 31, 2023. The distributed amounts resolved by the Board of Directors were in agreement with the accrued amounts. The employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration of 2022 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 32,295	\$ 76,435
Tax on undistributed surplus earnings	26,576	28,900
Under provision of prior year's income tax	2,314	147
Land value increment tax recognised in income tax for the year	1,187	14,354
Total current tax	62,372	119,836
Income tax expense	\$ 62,372	\$ 119,836

(b) Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 130,998	\$ 318,975
Effect recognized from adjustments under tax regulations	(98,703)	(242,540)
Tax on undistributed surplus earnings	26,576	28,900
Under provision of prior year's income tax	2,314	147
Land value increment tax	1,187	14,354
Income tax expense	\$ 62,372	\$ 119,836

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(30) Earnings per share

Year ended December 31, 2023			
		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>	<u>Amount after tax</u>		
Profit attributable to ordinary shareholders of the parent	\$ 592,617	1,622,671	\$ 0.37
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 592,617	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	8,834	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 592,617	1,631,505	\$ 0.36
Year ended December 31, 2022			
		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>	<u>Amount after tax</u>		
Profit attributable to ordinary shareholders of the parent	\$ 1,475,037	1,622,671	\$ 0.91
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,475,037	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	19,838	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,475,037	1,642,509	\$ 0.90

(31) Supplemental cash flow information

Investing activities with no cash flow effects:

	Years ended December 31,	
	2023	2022
Buildings and land held for sale transferred to investment properties	\$ <u>11,410</u>	\$ <u>-</u>
Prepayment for equipment (shown as 'other non-current assets-others') transferred to property, plant and equipment	\$ <u>3,454</u>	\$ <u>-</u>
Prepayment transferred to property, plant and equipment	\$ <u>96</u>	\$ <u>-</u>
Property, plant and equipment transferred to investment properties	\$ <u>1,391</u>	\$ <u>-</u>
Bonds payable and long-term borrowings transferred to long-term liabilities, current portion	\$ <u>700,000</u>	\$ <u>2,930,000</u>

(32) Changes in liabilities from financing activities

	January 1, 2023	Changes in cash flow from financing activities	Changes in other non-cash items (Note)	December 31, 2023
Short-term borrowings	\$ 1,271,000	(\$ 460,000)	\$ -	\$ 811,000
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	1,550,000	(430,000)	-	1,120,000
Guarantee deposits received	154,667	16,510	-	171,177
Lease liability	<u>94,929</u>	<u>(31,847)</u>	<u>126,811</u>	<u>189,893</u>
Liabilities from financing activities-gross	<u>\$ 7,570,596</u>	<u>(\$ 905,337)</u>	<u>\$ 126,811</u>	<u>\$ 6,792,070</u>

	January 1, 2022	Changes in cash flow from financing activities	Changes in other non-cash items (Note)	December 31, 2022
Short-term borrowings	\$ 1,080,860	\$ 190,140	\$ -	\$ 1,271,000
Short-term notes and bills payable	100,000	(100,000)	-	-
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	2,391,624	(841,624)	-	1,550,000
Guarantee deposits received	155,584	(917)	-	154,667
Lease liability	<u>125,524</u>	<u>(31,479)</u>	<u>884</u>	<u>94,929</u>
Liabilities from financing activities-gross	<u>\$ 8,353,592</u>	<u>(\$ 783,880)</u>	<u>\$ 884</u>	<u>\$ 7,570,596</u>

Note: Changes in other non-cash items arose from the additions to lease liabilities.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship with the Company

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Cheng-Shi Investment Holdings Co., Ltd. (Cheng-Shi Investment Holdings)	The Company's subsidiary
Prince Property Management Consulting Co. (Prince Property Management Consulting)	The Company's subsidiary
The Splendor Hospitality International Co., Ltd. (The Splendor Hospitality)	The Company's subsidiary
Prince Industrial Corp. (Prince Industrial)	The Company's subsidiary
Prince Real Estate Co., Ltd. (Prince Real)	The Company's subsidiary
Times Square International Investment Holding Company (Times Square Investment Holding)	The Company's subsidiary
Ta Chen Construction & Engineering Corp. (Ta Chen Construction & Engineering)	The subsidiary of CSIHC
Cheng-Shi Construction Co., Ltd. (Cheng-Shi Construction)	The subsidiary of CSIHC
Prince Apartment Management & Maintenance Co., Ltd. (Prince Apartment)	The subsidiary of PPMCC
Prince Security & Guard Co., Ltd. (Prince Security & Guard)	The subsidiary of PPMCC
Times Square International Hotel Corp. (Times Square Hotel)	The subsidiary of TSIIHC
Times Square International Stays Corp. (Times Square Stays)	The subsidiary of TSIIHC
Prince Chong-De Industrial Corp.(Prince Chong-De)	The subsidiary of PIC
Prince Da-Li-Yi Industrial Corp.(Prince Da-Li-Yi)	The subsidiary of PIC
Uni-President Enterprises Corp. (Uni-President Enterprises)	The Company's other related parties
President Chain Store Corp. (President Chain Store)	The Company's other related parties
President International Development Corp. (President International Development)	The Company's other related parties
Mech-President Co., Ltd. (Mech-President)	The Company's other related parties
Uni-President Vender Corp. (Uni-President Vender)	The Company's other related parties
President Chain Store Corp. (President Chain Store)	The Company's other related parties
Uni-President Dream Parks Co. (Uni-President Dream Parks)	The Company's other related parties
ICASH Corp. (ICASH)	The Company's other related parties
Amida Trustlink Assets Management Co., Ltd. (Amida Trustlink Assets)	The Company's other related parties

For other related parties over which the Company exercises significant influence but with which the Company had no material transaction, please refer to Note 13 for related information.

(2) Significant related party transactions and balances

A. Sales of goods:

	Years ended December 31,	
	2023	2022
Rental income:		
— President Chain Store	\$ 55,156	\$ 54,395
— Mech-President	24,930	-
— Subsidiaries	1,221	1,154
— Other related parties	169	-
	<u>\$ 81,476</u>	<u>\$ 55,549</u>

Rent is determined by mutual agreements and is collected monthly.

B. Purchases and Expenses:

- (a) Details of the Company's subcontracting to related parties and its purchases from related parties are as follows:

	Years ended December 31,	
	2023	2022
Construction subcontracting:		
— Prince Utility	\$ 5,050	\$ -
— Cheng-Shi Construction	449	321
Purchases of services:		
— Subsidiaries	60,024	51,736
Purchases of goods		
— Other related parties	124	-
	<u>\$ 65,647</u>	<u>\$ 52,057</u>

The Company subcontracted building construction and utilities engineering to related parties, Chen-Shi Construction, Ta Chen Construction & Engineering and Prince Utility. Under those subcontracts, acceptance would be done according to the progress of the construction and engineering; payments would be made based on agreed-upon terms of the two parties. Purchases from related parties, Prince Security & Guard, Prince Apartment and Chen-Shi Construction, are based on negotiated terms because the related purchase transactions are unique and not available from third parties.

- (b) As of December 31, 2023 and 2022, unsettled construction contracts that were signed by the Company and Chen-Shi Construction are both totaled \$640,544 ; there were no payments made for those contracts; and future payments required under those contracts are both amounted to \$640,544.

- (c) As of December 31, 2023 and 2022, unsettled construction contracts that were signed by the Company and Prince Utility totaled \$49,531 and \$0, respectively ; there were no payments made for those contracts; and future payments required under those contracts are both amounted to \$49,531 and \$0, respectively.
- (d) Information system/management service expense (shown as general and administrative expenses)

	Years ended December 31,	
	2023	2022
— Other related parties	\$ 3,837	\$ 4,400

C. Other assets

- (a) On June 20, 2006, the Company and China Metal Products Co., Ltd. (“A party”) jointly signed a creditor’s rights transfer contract with Amida Trustlink Assets Management Co., Ltd. (“B party”). Under the contract, the Company and A party should pay \$2,100,000 each (totaling \$4,200,000) to jointly acquire whole creditor’s rights of mortgages, security interests and other dependent claims (collectively referred herein as the creditor’s rights) on the Splendor Hotel Taichung Building, and each bears 50% rights and obligations of this acquisition; when all creditor’s rights of this object turn into property rights, the Company and A party should pay B party totaling \$1,000,000 as the cost and reward of B party for it is entrusted with the task to help turn the creditor’s rights as stated above into property rights, but any excess cost over \$1,000,000 if incurred on this task shall be borne by B party on its own; the Company should pay B party \$300,000 before June 30, 2006, and the Company and A party should jointly issue a promissory note of \$1,800,000 to B party on the signing date; payment should be done before July 15, 2006. The title to the creditor’s rights as stated above had been transferred to the Company and A party on August 2, 2006. Total acquisition price of the creditor’s rights amounted to \$5,200,000, which the Company and A party bear 50% of the price each. The Company had paid its share. Furthermore, the Company and A party jointly established The Splendor Hospitality International Co., Ltd. and \$450,000 invested in the share capital was drawn down from the abovementioned price of the creditor’s rights.
- (b) The Company and China Metal Products Co., Ltd. jointly established The Splendor Hospitality International Co., Ltd. (“A party”) by contributing 50% of the investment each. On November 1, 2006, A party signed a certain assets transfer contract with The Splendor Hotel Chunggang (“B party”). Under the contract, A party should pay B party for employees’ services, goods purchases and taxes. The above payments of \$352,310 required of A party were made from the share capital of its initial establishment.

The Company’s creditor’s rights above amounting to \$2,375,000 were originally receivable from B party. After B party and A party signed a certain assets transfer contract in December,

2006, the creditor's right to the above receivables were transferred to A party. And A party repaid \$1,800,000 to the Company in June 2007. As of December 31, 2023 and 2022, the Company's creditor's rights receivable from A party both amounted to \$575,000 (shown as 'other non-current assets – others').

- (c) Details of the Company's capital investment in The Splendor Hospitality International Co., Ltd. in the past are as follows:

2006	\$	225,000
2008		105,000
2009		615,000
2010		30,000
2021 (Note)	(	800,000)
2022 (Note)		150,000
	\$	<u>325,000</u>

Note: The entity reduced its capital to cover accumulated deficit in 2021. The Company's investment has been reduced according to its shareholding ratio. In addition, the entity increased its capital in 2022. The Company has subscribed according to its shareholding ratio. Refer to Note 6(7) for details.

D. Accounts payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries	\$ 4,314	\$ 7,313
Other related parties	139	-
	<u>\$ 4,453</u>	<u>\$ 7,313</u>

E. Property transactions:

Prepayment for equipment

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Mech-President	\$ 810	\$ -

F. Lease transactions - lessee

- (a). The Company leases office from a related party, President International Development Corp. These leases have terms expiring between 2018 and 2023, and all these lease agreements are renewable at the end of the lease period. The aforementioned leases were renewed in March 2023. These leases have terms expiring between April 2023 and April 2028.

- (b) Acquisition of right-of-use assets:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
President International Development	\$ 123,435	\$ -

(C) Lease liabilities

i. Outstanding balance:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Lease liabilities - current:		
President International Development Corp.	<u>\$ 23,965</u>	<u>\$ 7,480</u>
Lease liabilities - non - current:		
President International Development Corp.	<u>\$ 82,816</u>	<u>\$ -</u>

ii. Interest expense:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
President International Development Corp.	<u>\$ 1,904</u>	<u>\$ 469</u>

G. Lease transactions-lessor

The Company leases investment property to the other related party, Tone Sang, and had entered into lease contract in December 2023. The lease term is between January 1, 2024 and December 31, 2043. The Company had collected the guarantee deposits for lease amounting to \$14,825 (shown as guarantee deposits received) as of December 31, 2023.

H. The information on endorsement and guarantees among related parties are described in Note 9(1).

I. On November 10, 2023, and November 4, 2022 the Company's Board of Directors approved to provide loans to the subsidiary, Prince Industrial Corp., for short-term financing amounting to \$100,000 and \$100,000. As of December 31, 2023, the subsidiary had not drawn down.

J. On November 10, 2023, the Company's Board of Directors approved to provide loans to the subsidiary, Chen-Shi Construction and Prince Chong-De Industrial Corp. for short-term financing amounting to \$100,000 and \$200,000. As of December 31, 2023, the subsidiary had not drawn down.

K. Refer to Note 6(7) for the increase and decrease of the Company's investment in the subsidiaries, Times Square International Holding Company, The Splendor Hospitality International Co., Ltd. and Prince Industrial Corp., in 2023 and 2022

L. For the years ended December 31, 2023 and 2022, to operate the Company's finance and maintain the Group's shareholdings, the Company acquired 7,780 thousand and 3,130 thousand shares of Nantex Industry Co., Ltd. from the Company's subsidiary, Ta Chen Construction & Engineering Corp., for a total amount of \$270,162 and \$117,698 (including \$196 and \$167 of transaction fee) by using the block pairs trades through Taiwan Stock Exchange, respectively.

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	\$ 51,996	\$ 59,781
Termination benefit	-	-
Post-employment benefits	-	1,245
Other long-term benefits	-	-
Share-based payment	-	-
	<u>\$ 51,996</u>	<u>\$ 61,026</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged asset	December 31, 2023	December 31, 2022	Purpose
Time deposits, demand deposits and checking deposits (shown as "financial assets at amortised cost")	\$ 432,877	\$ 486,679	Performance guarantee, short-term and long-term borrowings.
Financial assets at fair value through profit or loss	81,285	80,317	Long-term borrowings
Land held for construction site	1,256,536	1,256,536	Short-term borrowings, notes and bills payable and long-term borrowings
Construction in progress	35,849	35,829	Short-term borrowings, notes and bills payable and long-term borrowings
Financial assets at fair value through other comprehensive income	1,091,304	1,154,839	Short-term borrowings and issuance of long-term notes and bills
Investments accounted for under equity method	977,515	972,984	Long-term borrowings and issuance of long-term notes and bills
Land	166,997	166,997	Short-term borrowings, notes and bills payable and long-term borrowings
Buildings	173,304	178,955	Short-term borrowings, notes and bills payable and long-term borrowings
Investment property	4,588,747	4,651,838	Short-term borrowings, notes and bills payable and long-term borrowings
	<u>\$ 8,804,414</u>	<u>\$ 8,984,974</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Summary of endorsements and guarantees is as follows:

A. Summary of endorsements and guarantees provided by the Company to subsidiaries is as follows:

Name of company	December 31, 2023		December 31, 2022	
	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn
The Splendor Hospitality International Co., Ltd. (Note)	<u>\$ 1,800,000</u>	<u>\$ 1,700,000</u>	<u>\$ 1,775,000</u>	<u>\$ 1,725,000</u>

Note: The Company and China Metal Products Co., Ltd. provided endorsements and guarantees in equal proportions of 50% ownership each for The Splendor Hospitality International Co. Ltd.,'s short-term borrowings, short-term notes and bills payable, long-term notes payable and syndication loan of long-term borrowings.

B. Since the Company's subsidiary, The Splendor Hospitality International Co., Ltd., has been continuing to generate operating losses and its current liabilities were greater than its current assets. The Company was committed to provide the endorsement and guarantees for all Splendor Hospitality International Co., Ltd.'s borrowings in its ownership proportion of 50%.

(2) Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Property, plant and equipment	<u>\$ 952</u>	<u>\$ 952</u>

(3) Information on the commitments of the Company relating to financial support to related parties is described in Note 7(2).

(4) Operating lease agreement :

Please refer to Note 6(9) 、(10) for related information.

(5) According to the sale contracts, the Company should provide warranty on the house structure and major facilities for one year from the handover day for the houses it sold. However, any damage to the houses caused by disasters, additions to the houses made by the buyers, or events that are not attributed to the Company is not included in the scope of warranty.

(6) On March 17, 2005, the Company ("A party") signed a contract with National Taiwan University ("B party") relating to the construction and operation of dormitories on Chang-Hsing St. and Shui-Yuan Campus. The major terms of the contract are as follows:

A. Under the contract, B party should be responsible for acquiring the ownership or land-use right for this project, and let A party use the land; A party must complete the construction within 3 years from the registration of the superficies, and may operate the dormitories for 44 years, collect dormitory rentals and use fees of other facilities from students, and should return the related assets to B party on the expiry of the contract.

B. A party should give B party a performance guarantee of \$60,000 for the construction on the signing date and \$30,000 for operations before the start of operation. As of December 31, 2023 and 2022 A party had provided performance guarantee with a guarantee letter issued by the bank, all amounting to \$30,000.

C. A party should pay B party land rentals from the registration of the superficies, according to the terms of the contract, and pay B party operating royalties from the third year of the operation, based on the specified proportion of dormitory rentals and use fees of other facilities collected from students.

D. Terms of restrictions for A party:

(a) The ratio of A party's own capital utilized in this project to total construction cost of this project should be at least 30%;

- (b) During the operation period, the ratio of shareholders' equity to total assets should be at least 25%; and current ratio (current assets/current liabilities) should be at least 100%;
 - (c) All rights acquired by A party under the contract, except for other conditions specified in the contract and approved by B party, should not be transferred, leased, registered as a liability/obligation or become an executed object of civil litigation.
- (7) On May 10, 2005, the Company ("A party") signed a contract with National Cheng Kung University ("B party") relating to the construction and operation of student dormitories and alumni hall. The major terms of the contract are as follows:
- A. Under the contract, B party should be responsible for acquiring the ownership or land-use right for this project, and let A party use the land by way of registration of the superficies; A party must obtain the user license within 3 years after the signing date, and may operate the dormitories and motorcycle parking lots for 35 years from the start of operation and collect dormitory rentals and use fees of other facilities from students for 50 years from the start of construction, and should return the related assets to B party on the expiry of the contract.
 - B. A party should give B party performance guarantee of \$50,000 for this project on the signing date, which will be returned in installment according to the contractual terms. As of December 31, 2023 and 2022, A party had provided performance guarantee with a guarantee letter issued by the bank, amounting to \$10,000 for both years.
 - C. During the operation period, A party should pay B party dormitory operating royalties based on the specified proportion of annual operating revenue of the dormitories and auxiliary facilities operating royalties based on the specified proportion of annual operating revenue of the auxiliary facilities. A party should pay such operating royalties for prior year before the end of June every year. Further, according to the superficies contract signed by the two parties, A party should pay B party land rentals from the registration of superficies.
 - D. All rights acquired by A party under the contract, except for other conditions specified in the contract and approved by B party, should not be transferred, leased, registered as a liability/obligation or become an executed object of civil litigation.
- (8) The Company signed a syndicated loan contract with 7 banks - Mega International Commercial Bank as the lead bank for a credit line of \$2.16 billion. The syndicated loans include long-term (secured) loans and guarantee payments receivable (secured), which are used to fund the construction of dormitories in Changxing St. Campus and Shuiyuan Campus of National Taiwan University. During the loan period, the Company should maintain financial commitments such as current ratio, liability ratio and interest coverage; those financial ratios/restrictions shall be reviewed at least once every year, based on the Company's audited annual non-consolidated financial statements. If the Company violates the above financial commitments, it shall improve its financial position by capital increase or other ways before the end of October of the following year from the year of violation; it would not

be regarded as a default if the managing bank confirms that its financial position has improved completely. In case of violation, interest on the loans would be charged at the loan rate specified in the contract plus additional 0.25% per annum from the notification date of the managing bank to the completion date of financial improvement or to the date the Company gains the relief from the consortium for its violation.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The appropriation of 2023 earnings as resolved by the Board of Directors of the Company on March 4, 2024 is provided in Note 6(20).

12. OTHERS

(1) Capital management

The Company's capital management is to ensure it has sufficient financial resource and operating plans to meet operational capital for future needs, capital expenditure, obligation repayment and dividend distribution. The Company adjusts borrowing amount in accordance with construction progress and capital needed for operations.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 2,072,022	\$ 2,348,780
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	2,544,896	2,077,331
Financial assets at amortised cost		
Cash and cash equivalents	6,671,877	8,440,159
Financial assets at amortised cost	1,385,945	486,679
Notes receivable	42,004	19,323
Accounts receivable	2,345	3,621
Other receivables	10,887	914
Refundable deposits	7,603	7,672
	<u>\$ 12,737,579</u>	<u>\$ 13,384,479</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 811,000	\$ 1,271,000
Notes payable	-	963
Accounts payable (including related parties)	168,266	324,729
Other payables	208,573	397,950
Corporate bonds payable	4,500,000	4,500,000
Long-term borrowings (including current portion)	1,120,000	1,550,000
Guarantee deposits received	171,177	154,667
	<u>\$ 6,979,016</u>	<u>\$ 8,199,309</u>
Lease liability	<u>\$ 189,893</u>	<u>\$ 94,929</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Company's finance & accounting division) under policies approved by the Board of Directors. Company's finance & accounting division evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

The Company's businesses do not involve non-functional currency operations, thus would not be materially affected by the exchange rate fluctuations.

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. Shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables

held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$ 207,202 and \$234,878, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$ 254,490 and \$207,733, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Company's interest rate risk mainly arose from short-term and long-term (excluding commercial papers) borrowings issued at variable rates and exposed the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's borrowings at floating rate were calculated by NTD, if interest rates on borrowings had been 0.1% basis point higher/lower with all other variables held constant, profit before tax for the years ended December 31, 2023 and 2022 would have been \$1,931 and \$2,821 lower/higher, respectively.

(b) Credit risk

Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted, so it expects that the probability of counterparty default is remote. Credit risk arises from outstanding receivables (including contract assets).

Accounts receivable

- i. The Company's accounts receivable mainly arose from mortgage and credit card payment loaned to financial institutions, so it expects that the credit risk is remote.
- ii. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- iii. The Company adjusted the provision matrix with the historical loss of accounts receivable and forecastability, which considered the economic condition of the next months. The provision matrix in accordance with above estimation are as follows:

	Without past due	Up to 30 days past due	Over 31-60 days	Over 61-90 days	Over 90 days	Total
<u>December 31, 2023</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	\$ 2,246	\$ -	\$ -	\$ -	\$ 253	\$ 2,499
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ 154
<u>December 31, 2022</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	\$ 3,272	\$ -	\$ -	\$ -	\$ 503	\$ 3,775
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ 154

- iv. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2023	2022
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 154	\$ 154
Provision for impairment loss	6	-
Derecognised	(6)	-
At December 31	<u>\$ 154</u>	<u>\$ 154</u>

- v. The estimation of expected credit loss on financial assets at amortised cost, excluding accounts receivable, is as follows:

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts.

(c) Liquidity risk

- i. Cash flow forecasting is performed by the Company's finance & accounting division. The Company's finance & accounting division monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity Companyings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<u>December 31, 2023</u>		
	<u>Within 1 year</u>	<u>Between 1 to 3 years</u>	<u>Over 3 years</u>
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 822,842	\$ -	\$ -
Accounts payable (including related parties)	43,663	124,603	-
Lease liability	34,847	69,328	102,288
Other payables	208,573	-	-
Guarantee deposits received	107,944	22,316	40,917
Bonds payable	-	-	4,570,100
Long-term borrowings (including current portion)	715,663	368,753	84,868

	December 31, 2022		
	Within 1 year	Between 1 to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,287,793	\$ -	\$ -
Short-term notes and bills payable	963	-	-
Accounts payable (including related parties)	104,762	219,967	-
Lease liability	15,412	15,309	77,111
Other payables	397,950	-	-
Guarantee deposits received	112,083	13,853	28,731
Bonds payable	2,521,000	-	2,031,600
Long-term borrowings (including current portion)	438,658	997,545	181,782

iii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

The carrying amounts of the Company's cash and cash equivalents, financial instruments at amortised cost (including financial assets at amortised cost, notes receivable, accounts receivable, other receivables, refundable deposits, short-term borrowings, accounts payable (including related parties), other payables, lease liability, corporate bonds payables, long-term-borrowings, and guarantee deposits received) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 2,072,022	\$ -	\$ -	\$ 2,072,022
Financial assets at fair value through other comprehensive income				
Equity securities	1,349,922	-	1,194,974	2,544,896
	<u>\$ 3,421,944</u>	<u>\$ -</u>	<u>\$ 1,194,974</u>	<u>\$ 4,616,918</u>
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 2,348,780	\$ -	\$ -	\$ 2,348,780
Financial assets at fair value through other comprehensive income				
Equity securities	1,018,779	-	1,058,552	2,077,331
	<u>\$ 3,367,559</u>	<u>\$ -</u>	<u>\$ 1,058,552</u>	<u>\$ 4,426,111</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.

E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023	2022
	Non-derivative equity instruments	Non-derivative equity instruments
At January 1	\$ 1,058,552	\$ 1,131,392
Gain (loss) recognised in other comprehensive income (Note)	136,422 (	89,930)
Bought in the period	-	21,905
Sold in the period	-	(4,815)
At December 31	<u>\$ 1,194,974</u>	<u>\$ 1,058,552</u>

Note: Shown as unrealised gain or loss on financial assets at fair value through other comprehensive income.

G. For the years ended December 31, 2023 and 2022, except for the movement described in item F. above, there was no other transfer into or out from Level 3.

H. Finance and Accounting segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently assessing valuation results and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity Unlisted shares	\$ 1,194,974	Market comparable companies	EV/EBITDA	9.63- 12.33	The higher the weighted average cost of capital, the lower the fair value
		Net asset value	Not applicable		Not applicable
	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity Unlisted shares	\$ 1,058,552	Market comparable companies	EV/EBITDA	8.98- 9.96	The higher the weighted average cost of capital, the lower the fair value
		Net asset value	Not applicable		Not applicable

- J. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

		December 31, 2023					
				Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets							
Equity instruments	1,194,974	±1%	\$ -	\$ -	\$ 11,950	(\$ 11,950)	
		December 31, 2022					
				Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets							
Equity instruments	1,058,552	±1%	\$ -	\$ -	\$ 10,586	(\$ 10,586)	

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

None.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

CASH AND CASH EQUIVALENTS

DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Description</u>	<u>Amount</u>
Cash on hand and revolving funds		\$ 1,887
Chenking accounts		1,763,661
Demand deposits - NTD deposits		1,382,086
- USD deposits	(USD 106.95 thousand ; exchange rate 30.66)	3
Bonds and notes with call back options	(Interest rate range: 1.00%~1.02%)	
	(Maturity date range: from January 4, 2024 to February 2, 2024)	3,524,240
		<u>\$ 6,671,877</u>

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS-CURRENT
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name of financial instruments	Description	Number of shares	Price		Interest rate	Acquisition cost	Fair value		Notes
			(in dollar)	Total amount			Price (in dollar)	Total price	
Beneficiary certificates	Prudential Financial Money Market Fund	56,475,870	\$ 10	\$ 564,759	-	\$ 900,160	\$ 16.26	\$ 918,224	
	Allianz Global Investors Taiwan Money Market Fund	43,837,859	10	438,379	-	556,659	12.89	565,022	
	UPAMC James Bond Money Market Fund	29,597,708	10	295,977	-	493,132	17.15	507,491	
						1,949,951		\$ 1,990,737	
				Add : Valuation adjustment for financial assets		40,786			
						\$ 1,990,737			

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
FINANCIAL ASSETS AT AMORTISED COST - CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on 'Financial assets at amortised cost -current' is provided in Note 6(4).

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Description	Amount		Notes
		Cost	Net realisable value	
Land held for construction site		\$ 5,141,461	\$ 12,058,292	Note
Construction in progress		142,065	169,932	Note
Buildings and land held for sale		720,557	947,965	Note
Prepayment for land		228,635	228,635	Note
Merchandise		<u>1,761</u>	<u>1,761</u>	Note
		6,234,479	<u>\$ 13,406,585</u>	
Less : Allowance for inventory				
valuation losses		(72,610)		
		<u>\$ 6,161,869</u>		

Note : Use the replacement cost to be the market price.

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSTRUCTION IN PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name of construction	Balance at January 1, 2023	Cost incurred	Capitalised interest payment	Transfer of completed construction	Balance at December 31, 2023	Notes
Bali Dist Chung Chang Section No. 222 and 211-1, etc.	\$ 18,381	\$ 21	\$ -	\$ -	\$ 18,402	
Beitun Dist. Rong-De Lot No.129, etc.	8,310	(148)	-	-	8,162	Note
Jin Hua Section No. 1361	78,150	7	-	-	78,157	
Others	31,109	6,235	-	-	37,344	
	<u>\$ 135,950</u>	<u>\$ 6,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,065</u>	

Note: Cost incurred includes reversal of the balance at January 1, 2023 overestimated of \$1,500.

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name	Opening balance		Additions		Reductions		Ending balance		Collateral or pledged	Notes
	Number of shares		Number of shares		Number of shares		Number of shares			
	(per thousand share)	Amount	(per thousand share)	Amount	(per thousand share)	Amount	(per thousand share)	Amount		
Nantex Industry Co., Ltd.	10,695	\$ 396,249	7,780	\$ 298,410	-	\$ -	18,475	\$ 694,659	No	Listed Company 、 Note 3
Simplo Technology Co., Ltd.	76	21,759	-	10,308	-	-	76	32,067	No	OTC Company
Scino Pharm Taiwan Ltd.	23,606	600,771	-	22,425	-	-	23,606	623,196	Note 1	Listed Company
Universal Venture Capital Investment Corp.	1,400	10,430	-	2,940	-	-	1,400	13,370	No	
Grand Bills Finance Corp.	49	696	-	103	-	-	49	799	No	
Nanmat Technology Co., Ltd.	2,361	223,073	236	28,772	-	-	2,597	251,845	No	
President International Development Corp.	87,746	824,353	-	104,607	-	-	87,746	928,960	Note 2	
		\$ 2,077,331		\$ 467,565		\$ -		\$ 2,544,896		

Note 1 : 17,276 thousand shares of outstanding common stock were used as collateral for loan.

Note 2 : 60,000 thousand shares of outstanding common stock were used as collateral for loan.

Note 3 : Details of the additions in the number of shares for the year are provided in Note 7(2).

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
FINANCIAL ASSETS AT AMORTISED COST - NON - CURRENT
DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on 'Financial assets at amortised cost - non-current' is provided in Note 6(4).

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CHANGES ON INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name	Opening balance		Additions		Reductions		Ending balance			Market price or net value per share		Collateral or pledged	Notes
	Number of shares (per thousand share)	Aomunt	Number of shares (per thousand share)	Aomunt	Number of shares (per thousand share)	Aomunt	Number of shares (per thousand share)	% Ownership	Aomunt	Price (in dollar)	Total price		
Cheng-Shi Investment Holdings Co., Ltd.	149,365	\$ 1,323,732	-	\$ 181,027	-	\$ -	149,365	100.00%	\$ 1,504,759	\$ 10.70	\$ 1,598,821	No	
Prince Property Management Consulting Co.	17,147	268,521	-	-	-	(8,416)	17,147	100.00%	260,105	15.79	270,691	No	
Geng-Ding Co., Ltd.	18,000	313,882	-	-	-	(4,620)	18,000	30.00%	309,262	17.18	309,262	No	
Prince Housing Investment Corp.	0.4	614,291	-	44,587	-	-	0.4	100.00%	658,878	1,593,485.25	682,012	No	
Uni-President Development Corp.	108,000	1,167,581	-	5,437	-	-	108,000	30.00%	1,173,018	10.86	1,173,018	Note 1	
The Splendor Hospitality International Co., Ltd.	32,500	259,757	-	-	-	(7,674)	32,500	50.00%	252,083	7.76	252,083	No	
Jin-Yi-Xing Plywood Co., Ltd.	3,938	(289,743)	-	-	-	(117)	3,938	99.65%	(289,860)	1.31	5,171	No	Note 2
Prince Industrial Corp.	30,000	299,119	15,000	147,846	-	-	45,000	100.00%	446,965	9.93	446,965	No	Note 3
Prince Real Estate Co., Ltd.	12,292	1,355,998	-	-	-	(756,225)	12,292	99.68%	599,773	60.44	742,906	No	
Times Square International Investment Holding Company	62,100	755,276	-	206,632	(4,670)	-	57,430	100.00%	961,908	16.75	961,908	No	Note 4
		6,068,414		\$ 585,529		(\$ 777,052)			5,876,891				
Add : Shown as increase in other non-current liabilities		289,743							289,860				
		\$ 6,358,157							\$ 6,166,751				

Note 1: 90,000 thousand shares of outstanding common stock were used as collateral for loan.

Note 2: As of December 31, 2023 and 2022, the book value of investment in Jin-Yi-Xing Plywood Co., Ltd. were transferred to other non-current liabilities at \$289,860 and \$289,743, respectively, as the balances were below zero.

Note 3: The increase in the number of shares for the year was resulted from the investee's capital increase. Refer to Note 6(7) for details.

Note 4: The decrease in the number of shares for the year was resulted from the investee's capital reduction to cover accumulated deficit. Refer to Note 6(7) for details.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on 'Property, plant and equipment' is provided in Note 6(8).

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
ACCUMULATED DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on 'Property, plant and equipment' is provided in Note 6(8). Please refer to Note 4(15), for the information of depreciation methods and useful lives.

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Opening net			Closing net		Notes
	book amount	Additions	Disposals	book amount		
Buildings and structures	\$ 213,862	\$ 123,435	(\$ 105,352)	\$ 231,945		
Transportation equipment	-	3,376	-	3,376		
	<u>\$ 213,862</u>	<u>\$ 126,811</u>	<u>(\$ 105,352)</u>	<u>\$ 235,321</u>		

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
ACCUMULATED DEPRECIATION ON RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Opening net				Closing net		Notes
	book amount	Additions	Disposals		book amount		
Buildings and structures	\$ 124,345	\$ 32,695	(\$ 105,352)		\$ 51,688		
Transportation equipment	-	555	-		555		
	<u>\$ 124,345</u>	<u>\$ 33,250</u>	<u>(\$ 105,352)</u>		<u>\$ 52,243</u>		

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on ‘Investment property’ is provided in Note 6(11).

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
ACCUMULATED DEPRECIATION ON INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on ‘Investment property’ is provided in Note 6(11). Please refer to Note 4(17), for the information of depreciation methods and useful lives.

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
INTANGIBLE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on ‘Intangible assets’ is provided in Note 6(12). Please refer to Note 4(18), for the information of depreciation methods and useful lives.

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

OTHER NON-CURRENT ASSETS, OTHERS

DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Description</u>	<u>Amounts</u>	<u>Notes</u>
Other assets - others	The Splendor Hospitality International Co., Ltd.'s	\$ 575,000	
	creditor right Paintings	<u>61,640</u>	
		<u>\$ 636,640</u>	

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
SHORT-TERM BORROWINGS
DECEMBER 31, 2023
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Creditor</u>	<u>Explanation</u>	<u>Amounts</u>	<u>Contract period</u>	<u>Interest rate</u>	<u>Financing limit</u>	<u>Pledge or guarantee</u>	<u>Notes</u>
Mega Bank	Unsecured borrowings	\$ <u>811,000</u>	2023.08.21-2024.08.20	2.29%	\$ 1,057,000	None	

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

CONTRACT LIABILITIES-CURRENT

DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Advance real estate receipts	Prince Yuan	\$ 8,591	Buildings and land held for sale
	Prince Castle	<u>4,905</u>	Buildings and land held for sale
		13,496	
Others		<u>63,457</u>	
		<u>\$ 76,953</u>	

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

OTHER PAYABLES

DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Employees' compensation and directors' remuneration payable		\$ 87,604	
Interest payable		39,919	
House tax payable		29,073	
Others (minor amount less than 5%)		<u>51,977</u>	
		<u>\$ 208,573</u>	

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

LEASE LIABILITIES

DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Ending balance</u>	<u>Notes</u>
Buildings and structures		2015.5.1~2035.4.30	2.00%~2.26%	\$ 187,111	
Transportation equipment		2023.5.31~2028.8.31	2.19%~2.30%	2,782	
Less : Current portion				(30,865)	
				<u>\$ 159,028</u>	

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
BONDS PAYABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Name of Bond</u>	<u>Guarantor</u>	<u>Trustee</u>	<u>Period</u>	<u>Date of interest payment</u>	<u>Interest rate</u>	<u>Total issued amount</u>	<u>Repayment</u>	<u>Balance at December 31, 2023</u>
2022 1st secured ordinary bonds payable	Taiwan Bank	Mega International Commercial Bank	2022.06.16	Note	Note	\$ 2,000,000	\$ -	\$ 2,000,000
2023 1st secured ordinary bonds payable	Taiwan Bank	CTBC Bank Co.,Ltd.	2023.06.13	Note	Note	2,500,000	-	2,500,000
						<u>\$ 4,500,000</u>	<u>\$ -</u>	<u>\$ 4,500,000</u>

Note: Please refer to Note 6(14) for the information of corporate bonds payable. °

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
LONG-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Creditor</u>	<u>Type of borrowings</u>	<u>Amount</u>	<u>Contract period</u>	<u>Interest rate</u>	<u>Pledge or guarantee</u>	<u>Notes</u>
Mega Bank and syndicated	Secured borrowings	\$ 420,000	2007.01.09-2027.01.09	2.48%	Note	Repayable in installments based on contract terms
BEA Bank	Secured borrowings	300,000	2021.02.01-2025.09.12	2.33%	Note	Repayable in installments based on contract terms
Shin Kong Bank	Unsecured borrowings	<u>400,000</u>	2021.11.15-2024.11.15	2.12%	None	Repayable in installments based on contract terms
		1,120,000				
Less: Current portion		(<u>700,000</u>)				
		<u>\$ 420,000</u>				

Note 1: Please refer to Note 8 for details.

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2023
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Description	Amount		
		Land	Buildings	Total
Construction revenue				
Sales revenue from				
buildings and land	Prince Hua Wei	\$ 149,640	\$ 50,067	\$ 199,707
	Jun Chan LV	13,520	15,744	29,264
	Prince Yuan	14,750	14,048	28,798
	Cozy Prince Mansion	-	22,495	22,495
	Prince WIN2 Future	8,050	14,238	22,288
	Others	15,160	14,462	29,622
		<u>\$ 201,120</u>	<u>\$ 131,054</u>	<u>332,174</u>
Sales returns and discounts				-
Construction revenue total				332,174
Hotel operating revenue				71,348
BOT business revenue				283,278
Other rental revenue				485,118
				<u>\$ 1,171,918</u>

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Description	Amount		
		Land	Buildings	Total
Cost of construction sales				
Sales cost from				
buildings and land	Prince Hua Wei	\$ 144,385	\$ 51,602	\$ 195,987
	Prince Yuan	10,282	5,371	15,653
	Jun Chan LV	254	15,390	15,644
	Cozy Prince Mansion	-	9,000	9,000
	Prince WIN2 Future	2,802	9,085	11,887
	Others	5,636	16,698	22,334
		<u>\$ 163,359</u>	<u>\$ 107,146</u>	<u>270,505</u>
	Less: Gain on reversal of inventory valuation losses			(2,815)
Cost of construction sales total				267,690
Other operating costs				<u>151,513</u>
				<u>\$ 419,203</u>

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Selling expenses	Advertisement expense	\$ 3,350	
General & administrative expenses	Wages and salaries	224,020	
	Taxes	105,176	
	Repairs and maintenance expense	52,112	
	Security expenses	63,592	
	Depreciation	51,910	
	Utilities expense	49,974	
	Other expenses (minor amount less than 5%)	116,978	
		<u>663,762</u>	
	Impairment loss	<u>6</u>	
		<u>\$ 667,118</u>	

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
FINANCE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

For the details of finance costs, please refer to Note 6(27).

(Remainder of page intentionally left blank)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CURRENT EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

For the details of employee benefits, depreciation and amortisation expenses summarised by function for the year, please refer to Note 6(28).

(Remainder of page intentionally left blank)

Prince Housing & Development Corp.																	
Loans to others																	
Year ended December 31, 2023																	
Expressed in thousands of NTD																	
(Except as otherwise indicated)																	
No.			General ledger	Is a related	Maximum outstanding	Balance at				Amount of		Collateral			Limit on loans granted	Ceiling on total	
(Note 1)	Creditor	Borrower	account	party	the year ended	December 31,	Actual amount	Interest rate	Nature of loan	with the	financing	Allowance for	Item	Value	to a single party	loans granted	Footnote
					December 31, 2023	2023	drawn down			borrower		accounts					
0	Prince Housing & Development Corp.	Prince Industrial Corp.	Other receivables - related parties	Y	\$ 100,000	\$ 100,000	\$ -	2.7	Short-term financing	\$ -	Additional operating capital	\$ -	None	-	\$ 500,000	\$ 10,288,818	Note 2
0	Prince Housing & Development Corp.	Prince Chong-De Industrial Corp.	Other receivables - related parties	Y	200,000	200,000	-	2.7	Short-term financing	-	Additional operating capital	-	None	-	500,000	10,288,818	Note 2
0	Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	Other receivables - related parties	Y	100,000	100,000	-	2.7	Short-term financing	-	Additional operating capital	-	None	-	500,000	10,288,818	Note 2

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in Ta-Chen Construction & Engineering Corp. "Procedures for Provision of Loans" are as follows:

A. Ceiling on total loans to others: 40% of the Company's net worth.

B. Limit on loans to a single party:

(a) Nature of the loan is related to business transactions: Limit to a single party is NT\$1.5 billion or the amount of business transactions between the creditor and borrower in the current year.

(b) Nature of loan is for short-term financing: Limit on loans to a single party is NT\$500 million.

Prince Housing & Development Corp.
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

		Party being endorsed/guaranteed												
Number (Note 1)	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	6	\$ 5,144,409	\$ 3,350,000	\$ 1,800,000	\$ 1,700,000	\$ -	7%	\$ 12,861,023	Y	N	N	Note 3

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'. The same company will have the same number.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: In accordance with the Company's related regulations, the limit on endorsements and guarantees for any single entity is 20% of the Company's net worth based on the latest financial statements and the limit on accumulated amount of transactions of endorsements and guarantees is 50% of the Company's net worth based on the latest financial statements.

Prince Housing & Development Corp.
Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)
December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

As of December 31, 2023									
Securities held by	Marketable securities	Name of investee companies	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Prince Housing & Development Corp.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	18,474,988	\$ 694,659	Note 1	\$ 37.60	Listed company
	Stock	ScinoPharm Taiwan, Ltd.	None	Non-current financial assets at fair value through other comprehensive income	23,605,921	623,196	Note 1	26.40	Listed company, Note 2
	Stock	Simplo Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	76,349	32,067	Note 1	420.00	OTC company
	Stock	Universal Venture Capital Investment Corp.	None	Non-current financial assets at fair value through other comprehensive income	1,400,000	13,370	Note 1	9.55	
	Stock	Grand Bills Finance Corp.	None	Non-current financial assets at fair value through other comprehensive income	48,672	799	Note 1	16.41	
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,596,336	251,845	Note 1	97.00	
	Stock	President International Development Corp.	Other related party	Non-current financial assets at fair value through other comprehensive income	87,745,770	928,960	6.63%	10.59	Note 3
	Fund	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - non-current	6,301,406	81,285	-	12.90	Note 4
	Fund	Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss -current	56,475,870	918,224	-	16.26	
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	29,597,708	507,491	-	17.15	
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss -current	43,837,859	565,022	-	12.89	
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	1,775,631	30,445	-	17.15	
Cheng-Shi Investment Holdings Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	1,775,631	30,445	-	17.15	
Ta Chen Construction & Engineering Corp.	Fund	Yuanta De- Bao Money Market Fund	None	Financial assets at fair value through profit or loss -current	4,878,650	60,237	-	12.35	
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss -current	23,317,460	300,536	-	12.89	
	Stock	Nantex Industry Co., Ltd.	None	Financial assets at fair value through profit or loss - non - current	2,417,483	90,897	Note 1	37.60	Listed company
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,371,342	230,012	Note 1	97.00	
Cheng-Shi Construction Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	4,758,757	91,673	-	17.15	
Prince Apartment Management & Maintenance Co., Ltd.	Stock	Prince Housing & Development Corp.	Parent company	Non-current financial assets at fair value through other comprehensive income	655,424	7,275	Note 1	11.10	Listed company
	Stock	Tainan Spinning Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	122,201	1,931	Note 1	15.80	Listed company
Prince Security & Guard Co., Ltd.	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	316,176	30,669	Note 1	97.00	
Prince Property Management Consulting Co.	Fund	CTBC Hwa-win Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,172,949	24,587	-	11.32	
Times Square International Hotel Corp.	Fund	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,164,808	72,000	-	13.94	
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,802,705	58,000	-	15.25	
Prince Real Estate Co., Ltd.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	194,282	7,305	Note 1	37.60	Listed company
	Stock	Sung Gang Asset Management Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	47,968	957	Note 1	19.95	OTC company
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	20,833,005	268,515	-	12.89	
Prince Industrial Corp.	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,916,654	50,479	-	12.89	

Note 1: Percentage of Company's ownership is less than 5%.
Note 2: 17,276 thousand shares of outstanding common stock were used as collateral for loan.
Note 3: 60,000 thousand shares of outstanding common stock were used as collateral for loan.
Note 4: 6,301 thousand units of outstanding common stock were used as collateral for loan.

Prince Housing & Development Corp.
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2023		Addition (Note 3)		Disposal (Note 3)		Gain (loss) on disposal		Balance as at December 31, 2023	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value		Number of shares	Amount
Prince Housing & Development Corp.	Allianz Global Investors Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	47,391,936	\$ 795,684	-	\$ -	(17,794,228)	(\$ 302,715)	(\$ 302,552)	\$ 163	29,597,708	\$ 493,132
Prince Housing & Development Corp.	Nantex Industry Co., Ltd.	Non-current financial assets at fair value through other comprehensive	-	-	10,694,988	396,249	7,780,000	270,162	-	-	-	-	18,474,988	694,659
Ta Chen Construction & Engineering Corp.	Nantex Industry Co., Ltd.	Financial assets at fair value through profit or loss - current	-	-	10,197,483	377,816	-	-	(7,780,000)	(269,966)	(288,249)	(18,283)	2,417,483	90,897
Prince Real Estate Co., Ltd.	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	20,721,585	350,000	-	-	(20,721,585)	(352,750)	(350,000)	2,750	-	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Prince Housing & Development Corp. and Subsidiaries
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Purchaser/seller	Counterparty	Relationship with the counterparty									
Ta Chen Construction & Engineering Corp.	Uni-President Express Corp.	Other related parties	Sales	\$ 2,566,739	30%	Collected based on the terms	Determined after comparison and negotiation between the two parties and collected based on the contract terms.	Determined after comparison and negotiation between the two parties and collected based on the contract terms.	\$ 395,799	50%	

Prince Housing & Development Corp.
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	Subsidiary	Other assets - obligation receivable \$ 575,000	-	\$ -	-	\$ -	\$ -
Ta Chen Construction & Engineering Corp.	Uni-President Express Corp.	Other related parties	-accounts receivable 395,799	6.56	-	-	255,488	-

Prince Housing & Development Corp.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

					Transaction		
Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	The Company to the consolidated subsidiaries	Endorsement and guarantee	\$ 1,800,000	In accordance with endorsement and guarantee procedures	3.89%
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	The Company to the consolidated subsidiaries	Other assets - obligation receivables	575,000	Creditor's rights purchase contract	1.24%
0	Prince Housing & Development Corp.	Prince Chong-De Industrial Corp.	The Company to the consolidated subsidiaries	Loans to others	200,000	In accordance with the Procedures for Provision of Loans	0.43%
0	Prince Housing & Development Corp.	Prince Industrial Corp.	The Company to the consolidated subsidiaries	Loans to others	100,000	In accordance with the Procedures for Provision of Loans	0.22%
0	Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	The Company to the consolidated subsidiaries	Loans to others	100,000	In accordance with the Procedures for Provision of Loans	0.22%
0	Prince Housing & Development Corp.	Ta Chen Construction & Engineering Corp. (Note5)	Note5	Non-current financial assets at fair value through other comprehensive income	270,162	In accordance with the regulations of Taiwan Stock Exchange	0.58%
1	Ta Chen Construction & Engineering Corp.	Prince Housing & Development Corp. (Note5)	Note5	Non-current financial assets at fair value through profit or loss	269,966	In accordance with the regulations of Taiwan Stock Exchange	0.58%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is ‘0’.
- (2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The table only discloses transaction amounts of NT\$100 million or more.

Note 5: For the year ended December 31, 2023, to operate the Company’s finance and maintain the Group’s shareholdings, the Company acquired listed stocks from the Company’s subsidiary, Ta Chen Construction & Engineering Corp., for a total amount of \$270,162 (including \$196 of transaction fee) by using the block pairs trades through Taiwan Stock Exchange.

Table 8

Prince Housing & Development Corp.
Information on investees
Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31,	Investment income (loss) recognised by the Company for the year ended December	Footnote
									2023	31, 2023	
Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Taiwan	General investment	\$ 1,146,925	\$ 1,146,925	149,365,000	100.00%	\$ 1,504,759	\$ 151,890	\$ 156,055	Notes 1 and 2
	Prince Property Management Consulting Co., Ltd.	Taiwan	Management and consulting	181,000	181,000	17,146,580	100.00%	260,105	(10,920)	(10,824)	Notes 1 and 2
	Geng-Ding Co., Ltd.	Taiwan	Hotels and catering	120,000	120,000	18,000,000	30.00%	309,262	45,232	13,570	-
	Prince Housing Investment Corp.	British Virgin Islands	Overseas investment	140,413	140,413	428	100.00%	658,878	44,587	44,587	Note 2
	Uni-President Development Corp.	Taiwan	Leasing of buildings	1,080,000	1,080,000	108,000,000	30.00%	1,173,018	189,843	56,953	Note 4
	The Splendor Hospitality International Co., Ltd.	Taiwan	Hotels and catering	325,000	325,000	32,500,000	50.00%	252,083	(15,349)	(7,675)	Notes 2
	Jin-Yi-Xing Plywood Co., Ltd.	Taiwan	Manufacture of plywoods	165,410	165,410	3,938,168	99.65%	(289,860)	(118)	(118)	Notes 2
	Prince Industrial Corp.	Taiwan	Development of public housing and building	450,000	300,000	45,000,000	100.00%	446,965	(2,154)	(2,154)	Note 2 and 5
	Prince Real Estate Co., Ltd.	Taiwan	Real estate trading and leasing	470,784	470,784	12,292,315	99.68%	599,773	13,852	13,537	Notes 1 and 2
	Times Square International Holding Company	Taiwan	General investment	373,570	420,270	57,430,000	100.00%	961,908	206,632	206,632	Notes 2 and 6
Cheng-Shi Investment Holdings Co., Ltd	Ta Chen Construction & Engineering Corp.	Taiwan	Construction	856,566	856,566	122,616,762	100.00%	1,321,732	151,886	-	Notes 2 and 3
	Prince Utility Co., Ltd.	Taiwan	Electricity water pipe	56,025	56,025	3,070,000	100.00%	30,989	(6,607)	-	Notes 2 and 3
	Cheng-Shi Construction Co., Ltd.	Taiwan	Construction	208,027	208,027	20,100,000	100.00%	201,500	5,969	-	Notes 2 and 3
Prince Housing Investment Corp.	PPG Investment Inc.	U.S.A	Overseas investment	56,945	56,945	273	27.30%	23,696	10,611	-	Note 3
	Queen Holdings Ltd.	British Virgin Islands	Overseas investment	122,034	122,034	2,730	27.30%	413,536	103,043	-	Note 3

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31,	Investment income (loss) recognised by the Company for the	Footnote
									2023	year ended December 31, 2023	
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management & Maintenance Co., Ltd.	Taiwan	Management of apartments	\$ 67,853	\$ 67,853	3,000,000	100.00%	\$ 40,834	\$ 1,331	\$ -	Notes 2 and 3
	Prince Security & Guard Co., Ltd.	Taiwan	Security	159,611	159,611	13,172,636	100.00%	169,340	(12,577)	-	Notes 2 and 3
Princrer Real Estate Co., Ltd.	Amida Trustlink Assets Management Co., Ltd.	Taiwan	Development of public housing and building	304,289	304,289	21,525,020	45.21%	(140,797)	(861)	-	Note 3
Times Square International Holding Company	Times Square International Hotel Corp.	Taiwan	Hotels and catering	460,770	460,770	54,750,000	100.00%	721,884	173,085	-	Notes 2 and 3
	Times Square International Stays Corp.	Taiwan	Hotels and catering	100,000	225,500	10,000,000	100.00%	133,514	33,700	-	Notes 2 and 3
Prince Industrial Corp.	Prince Chong-De Industrial Corp.	Taiwan	Development of public housing and building	200,000	-	20,000,000	100.00%	199,702	(298)	-	Notes 2 and 3
	Prince Da-Li-Yi Industrial Corp.	Taiwan	Development of public housing and building	150,000	-	15,000,000	100.00%	149,919	(81)	-	Notes 2 and 3

Note 1: The difference between the income (loss) of the investee and the investment income (loss) of the investee recognised by the Company is the investment income (loss) of the investee recognised by the Company in proportion to the share ownership and unrealised gain (loss) from elimination of inter-Company transactions.

Note 2: Subsidiary.

Note 3: The amount has been included in the profit (loss) of the Company’s investee accounted using equity method and has been recognised as gain (loss) on investment.

Note 4: Provided 90,000 thousand shares as collateral.

Note 5: The investee increased its capital amounting to \$150,000 by issuing new shares of 15 million shares for the year. The face value and issuance price were both NT\$10 (in dollars)

Note 6: The investee reduced \$46,700 of its capital to cover accumulated deficit by retiring 4,670 thousand issued shares. The Company’s investment has been reduced according to its shareholding ratio.

Prince Housing & Development Corp.

Major shareholders information

December 31, 2023

Table 9

Name of major shareholders	Shares	Ownership (%)
	Number of shares held	
Uni-President Enterprises Corp.	162,743,264	10.02%
Taipo Investment Co., Ltd.	116,730,587	7.19%